HOUSE OF REPRESENTATIVES—*Monday, June 30, 1980*

The House met at 12 o'clock noon.

The Chaplain, Reverend James David Ford, D.D., offered the following prayer:

Trust in the Lord forever, for the Lord God is an everlasting rock.—Isaiah 26: 4.

Gracious Lord, whose glory has been revealed through the generations, renew within us a true understanding of Your purpose for our lives and for our world. O Lord, amid the frustration and tension of the present time, we turn to You to lift our spirits, encourage our minds, and give peace to troubled souls. We pray for the forgotten who lack hope, for the homeless who lack care, for the hostages whose freedom is denied and for all people who seek Your presence. May our trust in Your word sustain us with confidence every day of our lives. Amen.

THE JOURNAL

The SPEAKER. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Pursuant to clause 1, rule I, the Journal stands approved.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Sparrow, one of its clerks, announced that the Senate had passed without amendment a bill of the House of the following title:

H.R. 7685. An act to amend title IV of the Employee Retirement Income Security Act of 1974 to postpone for 1 month the date on which the corporation must pay benefits under terminated multiemployer plans.

The message also announced that the Senate agrees to the amendment of the House to a bill of the Senate of the following title:

S. 598. An act to clarify the circumstances under which territorial provisions in licenses to manufacture, distribute, and sell trademarked soft drink products are lawful under the antitrust laws.

The message also announced that the Senate had passed with amendments in which the concurrence of the House is requested, a bill of the House of the following title:

H.R. 7542. An act making supplemental appropriations for the fiscal year ending September 30, 1980, rescinding certain budget authority, and for other purposes.

The message also announced that the Senate insists upon its amendments to the bill (H.R. 7542) entitled "An act making supplemental appropriations for the fiscal year ending September 30, 1980, rescinding certain budget authority, and for other purposes," requests a conference with the House on the disagreeing votes of the two Houses thereon, and appoints Mr. MAGNUSON, Mr. STENNIS, Mr. ROBERT C. BYRD, Mr. PROXMIRE, Mr. INOUYE, Mr. HOLLINGS, Mr. BAYH, Mr. EAGLETON, Mr. CHILES, Mr. JOHNSTON, Mr. HUDDLESTON, Mr. LEAHY, Mr. SASSER, Mr. YOUNG, Mr. HATFIELD, Mr. STEVENS, Mr. MATHIAS, Mr. SCHWEIKER, Mr. BELLMON, Mr. WEICKER, Mr. MCCLURE, Mr. LAXALT, Mr. GARN, and Mr. SCHMITT to be the conferees on the part of the Senate.

The message also announced that the Senate had passed concurrent resolutions of the following titles, in which the concurrence of the House is requested:

S. Con. Res. 80. Concurrent resolution to proclaim February as "National Snowmobiling Month"; and

S. Con. Res. 104. Concurrent resolution expressing the Sense of Congress Regarding the Importance of the Alaska Natural Gas Transportation System.

REQUEST TO APPOINT CONFEREES ON H.R. 7542, SUPPLEMENTAL APPROPRIATIONS, 1980

Mr. WHITTEN. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H.R. 7542) making supplemental appropriations for the fiscal year ending September 30, 1980, rescinding certain budget authority, and for other purposes, with Senate amendments thereto, disagree to the Senate amendments, and agree to the conference asked by the Senate.

The SPEAKER. Is there objection to the request of the gentleman from Mississippi?

Mr. BAUMAN. Mr. Speaker, reserving the right to object, the gentleman from Maryland only obtained a copy of the other body's version of H.R. 7542 within the last 15 minutes. Just a cursory examination of the bill that was passed by the other body late Saturday indicates a number of questions that I have in my mind, including why the other body sought to add the entire 1980 foreign aid appropriation bill conference report to this supplemental as part of what is essentially an emergency bill.

I am informed by staff this could mean that the foreign aid spending would be increased about $1 billion simply by that one act.

I just say this to the gentleman before he responds, with such a short time to look at this bill, I must object if the gentleman presses his request simply because I think some Members of the House might wish to have a chance to offer a motion to instruct the conferees. I am sure the conferees could proceed informally without the permission to go into conference now, but this is a rush job, and the other body's action on this bill in an emergency situation, I think, is highly unacceptable.

Mr. WHITTEN. Mr. Speaker, will the gentleman yield?

Mr. BAUMAN. I yield to the gentleman from Mississippi.

Mr. WHITTEN. May I say to my colleague from Maryland (Mr. BAUMON) that sometimes I have as much trouble understanding the actions of our colleagues on the other side of the Capitol as he does, but that has always been true. I disagree with a number of actions taken by the Senate on the bill, as compared with what I think is sound, and I am sure they feel the same about some of the House actions. I certainly have in mind the same question the gentleman does, not only about that item, but some other items in the bill.

But I do think the place to try to work those things out is in the conference. I think I should call attention to the fact that the Appropriations Committee recognized the importance of acting on this bill at an early date. We voted out a supplemental bill on May 8. We finally got this bill through the House on June 19, I believe, but the fact that we go to conference does not change our attitude toward the House passed bill. We go there with the House bill uppermost in our minds. There are some 400 to 500 accounts in the bill and about 344 Senate amendments are involved. You can see we have our work cutout for us when we go to conference representing the House viewpoint.

Mr. BAUMAN. Further reserving the right to object, Mr. Speaker, if permission to go to conference is not granted at this point, nothing prevents an informal discussion among the potential conferees in both Houses as to the amounts; but it does prevent, if we allow the bill to go to conference now, any motion to instruct. That I think might be helpful to the gentleman and his conferees, and we will be in session probably for an hour or two today, and perhaps permission could be obtained before we adjourn.

Mr. WHITTEN. The big problem would be that a bill of this size, involving 344 Senate amendments and between 400 and 500 accounts, it will take a long time to reach a settlement. I would, of course, have to resist instructions because I do not think the House conferees should be denied the needed flexibility. We have the staff working now as they have been over the weekend to keep up with the Senate actions on the bill. I would have to strongly oppose any specific instructions when all the 13 individual appropriations subcommittees are involved and we have 400 or 500 accounts affected. We have to operate under the present budget resolution limitations as the gentleman knows. I hope he would give us a free hand and trust us to represent the views that many of us share and that is to stick to the House position in conference, to the degree we can.

I would hope the gentleman would cooperate with us in view of the magnitude of the problem and the many, many items and amendments that have to be ironed out. The staff is preparing for that conference at this very moment.

Mr. BAUMAN. Further reserving the right to object, I have no great fear about the gentleman from Mississippi or his intentions regarding the bill. It is just that the gentleman from Mississippi is only one of the many people involved,

and I would like some chance to look at this bill with a possibility of a motion to instruct in mind.

Mr. WHITTEN. Well, may I say that I will be one of the 19 suggested conferees, which is up to the Speaker to appoint as the gentleman knows. But the gentleman from Mississippi intends to be an active confereee, to say the least. We want to be cautious of the very thing I know the gentleman has in mind. We will be lucky to complete this conference in a couple of days. I would hope we can get to conference late this afternoon or tonight. I expect to go to work on it immediately, but we will go there again reflecting the views of the House.

Mr. BAUMAN. Mr. Speaker, I object.

The SPEAKER. Objection is heard.

PERMISSION FOR COMMITTEE ON PUBLIC WORKS AND TRANSPORTATION TO HAVE UNTIL MIDNIGHT TO FILE REPORT ON H.R. 4370, COAL PIPELINE ACT OF 1980

Mr. BREAUX. Mr. Speaker, I ask unanimous consent that the Committee on Public Works and Transportation may have until midnight tonight, June 30, 1980, to file the report on H.R. 4370, the Coal Pipeline Act of 1980.

The SPEAKER. Is there objection to the request of the gentleman from Louisiana?

There was no objection.

PERMISSION FOR COMMITTEE ON JUDICIARY TO MEET TUESDAY, JULY 1, AND WEDNESDAY, JULY 2, 1980, DURING 5-MINUTE RULE

Mr. DRINAN. Mr. Speaker, I ask unanimous consent that the Committee on the Judiciary be permitted to sit while the House is meeting under the 5-minute rule on July 1, and July 2, 1980.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

MAKING IN ORDER CONSIDERATION OF SENATE CONCURRENT RESOLUTION 104, ON TOMORROW, OR ANY DAY THEREAFTER

Mr. DINGELL. Mr. Speaker, I ask unanimous consent that it may be in order to consider in the House on Tuesday, July 1, 1980, or any day thereafter, Senate Concurrent Resolution 104, expressing the sense of Congress regarding the importance of the Alaska natural gas transportation system.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

ANNOUNCEMENT BY THE SPEAKER

The SPEAKER. Pursuant to the provisions of clause 3(b) of rule XXVII and clause 5(b)(1) of rule I, the Chair announces he will postpone further proceedings today on each motion to suspend the rules and on each question of agreeing to conference reports on which a recorded vote or the yeas and nays are ordered, or on which the vote is objected to under clause 4, rule XV.

Such rollcall votes, if postponed, will be taken on Tuesday, July 1.

OLYMPIC GOLD MEDAL

Mr. ANNUNZIO. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 7482) to authorize the President of the United States to present on behalf of Congress a specially struck gold-plated medal to the U.S. Summer Olympic Team of 1980, as amended.

The Clerk read as follows:

H.R. 7482

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) the President of the United States is authorized to present a gold-plated medal of appropriate design, on behalf of the Congress, to those athletes selected through the Olympic trial process to represent the United States in the summer Olympics of 1980, in recognition of their outstanding athletic achievements and of their determination in the pursuit of excellence. For such purpose, the Secretary of the Treasury is authorized and directed to cause to be stricken six hundred and fifty gold-plated medals and suitable emblems, devices, and inscriptions to be determined by the Secretary of the Treasury.

(b) The medals provided for in this Act are national medals for the purpose of section 3551 of the Revised Statutes (31 U.S.C. 368).

(c) Funds to carry out the provisions of this Act, which shall not exceed $50,000, shall be available from amounts currently appropriated for the operation of the Bureau of the Mint. Such funds shall be fully reimbursed from funds appropriated under the Amateur Sports Act of 1978.

The SPEAKER. Is a second demanded?

Mr. SHUMWAY. Mr. Speaker, I demand a second.

The SPEAKER. Without objection, a second will be considered as ordered.

There was no objection.

The SPEAKER. The gentleman from Illinois (Mr. ANNUNZIO) will be recognized for 20 minutes, and the gentleman from California (Mr. SHUMWAY) will be recognized for 20 minutes.

The Chair recognizes the gentleman from Illinois (Mr. ANNUNZIO).

□ 1210

Mr. ANNUNZIO. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, H.R. 7482, is legislation to authorize the President of the United States to present on behalf of the Congress a specially struck gold-plated medal to the U.S. Summer Olympic Team of 1980.

This is a unique bill in many ways. The 650 medals would be the largest number ever authorized by Congress, and in addition, the legislation has been cosponsored by 228 Members. The legislation was introduced on June 4, and in roughly 20 days a majority of House Members cosponsored the bill. I recall very few bills that ever received a majority of cosponsors in such a short period of time. This certainly indicates the eagerness with which the House supports our Olympic efforts. And I would add, that support has a broad bipartisan basis.

Although we will be considering H.R. 7482 today, I would also like to point out that there were three other Olympic medal bills. The first was introduced on February 25, by our distinguished colleague Mr. VENTO. On May 9, the gentleman from Michigan (Mr. SAWYER) introduced an Olympic medal bill. And, the gentleman from Montana (Mr. WILLIAMS) also has introduced an Olympic medal bill. I commend these gentlemen for their contributions to the legislation, and for their cooperation in helping the efforts of H.R. 7482.

This is the first medal bill that has been acted on by the Consumer Affairs Subcommittee since I imposed a requirement that all medal bills must be cosponsored by at least 218 Members of the House. The policy was instituted to assure that no medal bill was taken up unless it was considered significant and important by a majority of the Members.

Although the U.S. Olympic team will not participate in the Moscow games, I do not want to leave the impression that H.R. 7482 is designed to recognize athletes for their participation in the boycott. Rather, this legislation is designed to recognize the special athletic abilities of young men and women who have trained long and hard in order to make the U.S. Olympic team. It is designed to recognize the thousands of hours of training that every athlete has put into his or her sport. It is designed to recognize the pain and frustration, and in many cases, the boredom of practice which must be faced and conquered in order to reach the level of excellence required to represent one's country on the Olympic team.

There are literally millions of amateur athletes in this country, but only a few of those are good enough to make our Olympic team. It is for those few great athletes that we meet here today to discuss this legislation.

I firmly believe that making the Olympic team is reason enough to earn a medal. Stop and consider, that in each Olympic event only three medals are awarded. Only a fraction of those athletes who compete in Olympic games win medals, and in some cases the margin for winning or losing a medal can be as little as one one-hundredth of a second or a hundredth of a point.

I am proud to have served in the House with two former Olympic team members, Bob Mathias of California and Ralph Metcalfe of my own State of Illinois.

I have been equally impressed with the quality of those members already selected for this year's Olympic team. They talk not of a boycott, but of the honor of being selected for the Olympic team. It is just as difficult to make an Olympic team that is staying home as it is to make one that is participating.

We are here today for one purpose—to honor dedication, sacrifice and, most of all, athletic achievement.

Mr. Speaker, I now yield to the distinguished gentleman from California (Mr. SHUMWAY), a member of the committee.

I want to state that the gentleman from Delaware (Mr. EVANS), the ranking minority member of the committee, is not here, but I want to express my appreciation to him, tc the gentleman from California (Mr. SHUMWAY), and to all the other members of the minority as well as the majority, for their outstanding cooperation in getting this bill to the floor of the House.

Mr. SHUMWAY. Mr. Speaker, will the gentleman yield for just a couple basic questions?

Mr. ANNUNZIO. I am delighted to yield to my distinguished friend.

Mr. SHUMWAY. Mr. Speaker, there has been some concern expressed on this side of the aisle, at least, about the timing of the presentation of these medals. Would the gentleman comment on that particular issue?

Mr. ANNUNZIO. Mr. Speaker, will the gentleman yield?

Mr. SHUMWAY. Yes, I yield.

Mr. ANNUNZIO. Mr. Speaker, I want to say to my distinguished friend that it is my understanding and it is anticipated that the medals will be presented during a special ceremony on the 30th of July and that this ceremony will be held on the west steps of the Capitol.

Mr. SHUMWAY. I appreciate that.

With reference to the gentleman's amendment, it is my understanding that the basic amount remains the same, $50,000. The amendment does not increase or otherwise change the amount of this legislation.

Mr. ANNUNZIO. That is correct.

Mr. SHUMWAY. It is simply a means of providing a way for the rapid striking of these medals; is that correct?

Mr. ANNUNZIO. That is correct. The bill has a technical amendment that does not change any of the fund amounts in the bill. The supplemental appropriation is currently in conference and that legislation contains the funding for the Amateur Sports Act. In order to make certain that work on the medals continues while the supplemental is being considered, this amendment would allow the Bureau of the Mint to spend money already appropriated for its operations to produce the medals and then to be reimbursed from funds available under the Amateur Sports Act when the supplemental is passed.

The SPEAKER pro tempore (Mr. DINGELL). The time of the gentleman from Illinois (Mr. ANNUNZIO) has expired.

The Chair recognizes the gentleman from California (Mr. SHUMWAY).

Mr. SHUMWAY. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I want to commend Chairman ANNUNZIO for moving so quickly on this legislation to insure prompt passage so that these bronze, gold-plated medals will be struck in time for the presentation, which I understand is to take place in the latter part of July.

At the outset, I would like to express my strong dissatisfaction that in mid-January the International Olympic Committee chose not to accept this country's proposal for a site change. Had the Olympic games been withdrawn from Moscow, U.S. athletes would still have been able to participate in the 1980 summer games and the site change would have been viewed as a sharp rebuke to the Soviet Government by a broad segment of the international community.

There is still much more that the United States can do to counter Soviet aggression. But in the meantime, our boycott of the Olympic games should help get the point across to the Soviets. U.S. citizens are united on this issue. Republicans and Democrats alike are all concerned that we let Russia know that we will not sanction the Soviet's aggression in Afghanistan.

Six hundred and fifty athletes who have earned places on the 1980 Olympic team will not be able to participate in the summer Olympics because of our Nation's boycott of the Moscow games. These men and women exemplify the very best that our country has to offer. They have dedicated many years to the challenge of athletic competition and have given tremendous time and energy in their continual struggle to achieve a level of excellence that very few people ever obtain.

These American athletes deserve our Nation's recognition, not only for their talent, but for their great personal dedication and sacrifice as well. This legislation would provide for the President of the United States to present, on behalf of the Congress, 650 special gold-plated medals to the American athletes who have made the 1980 U.S. Summer Olympic team. These medals would be paid for out of appropriations already made to the U.S. Olympic Committee at a cost not to exceed $50,000.

We as a nation are quite aware of the tremendous sacrifice our athletes are making. However, we cannot allow them to be exploited. Any free world athletes who might choose to participate in the Moscow games would most likely be exploited by the Soviets to show that such athletes were actually expressing the true feelings of the people whose nations they represented with respect to Soviet policy.

The congressional medals that we will be voting on today can never take the place of a genuine, gold Olympic medal. However, it is one small way for our Nation to express gratitude to our Olympic athletes. The 1980 summer Olympics will best be remembered, not by who competed, but rather by who did not. The Congressional Gold Medal will serve to remind us and future generations as well, that we as a nation will never forsake our principles of freedom—not even for the cherished, Olympic gold, silver, and bronze medals.

Mr. Speaker, I now yield 1 minute to the gentleman from California (Mr. LAGOMARSINO).

□ 1220

Mr. LAGOMARSINO. Mr. Speaker, I rise in strong support of this measure. I submit that the boycott of the Olympic games in Moscow is far more than a symbolic gesture, as some have described it in the past.

The Olympics in Moscow are very important to the Soviet Union. They are using them to try to build their prestige around the world. I think our boycott of those Olympics is going to bring home to the Soviets, as well as to the rest of the world, that we do disapprove, and disapprove very strongly, of their aggressive activities around the world.

Had we gone to the Olympics, they certainly would have said that we approved of their system and activities and our presence there would have lent some credence to such statements.

I would like to ask the chairman of the committee a couple of questions, if I might. Has the design been decided on for the gold medals?

Mr. ANNUNZIO. Mr. Speaker, will the gentleman yield?

Mr. LAGOMARSINO. I yield to the chairman of the subcommittee.

Mr. ANNUNZIO. The medal will be a gold-plated bronze, 3 inches in diameter. It will contain a representation of the Olympic insignia with five interlocking rings and a torch with appropriate inscription.

Mr. LAGOMARSINO. The gentleman is saying, in effect, the design has been decided on?

Mr. ANNUNZIO. Yes.

Mr. LAGOMARSINO. I thank the gentleman.

I had asked the Treasury Department to consider a design suggested by my constituent, Mr. Wayne Saari, and am disappointed that his suggestion has not been accepted.

Mr. SHUMWAY. Mr. Speaker, we have no further requests for time.

Mr. ANNUNZIO. Mr. Speaker, I yield 3 minutes to the gentleman from Minnesota (Mr. VENTO).

Mr. VENTO. Mr. Speaker, I rise in support of House Resolution 7482. I am one of three initial principal cosponsors. We have 228 authors today on this measure, which is really a credit to our subcommittee chairman Congressman ANNUNZIO. I was pleased that in initially introducing this legislation I had Mr. ANNUNZIO'S encouragement, his support, and prompt action on this particular legislation today.

I really had hoped in a way that the day would never come when we would be in a final position of nonparticipation and therefore act on legislation dealing with the congressional gold medal to be conferred on those that qualified for the Olympics, and would not be participants. I had hoped eventually it would be possible for American olympians to participate in the world competition and games in Moscow. But obviously the initial actions of the Soviet Union in Afghanistan and their inaction in addressing the world concerns brought about by their flagrant aggression has brought finally resulted in the implementation of U.S. policy of not participating in the Olympics.

These congressional gold medals represent really a sacrifice, a tremendous

sacrifice on the part of these Olympic athletes in support of their Government. Other actions are shared more evenly in our society such as the grain emoargo or the curtailment of specific trade. It is possible to share these particular burdens and the responsibility with all citizens.

I know many who differ as to how that burden should be shared but, nevertheless, I think it is possible to achieve a degree of equity. This is not possible in the Olympic boycott to achieve that degree of equity. Certainly, these medals should not be interpreted as a political gesture to take the place of the Olympic gold, silver, or bronze medals because, indeed, that is not the purpose. The purpose is not to compensate or take the place of the awards that are given out in that historic and renowned athletic event which has been characterized through history from the times of its earliest Greek participants.

Rather this congressional gold medal simply tries to recognize a significant sacrifice from one segment of our society. This weekend in observing the qualifying events for the summer Olympics many Americans observed the tremendous spirit, dedication and ability of the American athletes that have qualified to participate in the 1980 Olympics. The American people appreciate their skills, talents, and achievement. I think the Members of Congress especially recognize the athletes sacrifice. I hope we can move forward with this legislation merely as a token of our esteem and recognition of this sacrifice by a very special group of Americans.

●Mr. BIAGGI. Mr. Speaker, as a cosponsor, I rise in support of the bill H.R. 7482, which will provide gold medals for those of our athletes who, through the Olympic trial process, were selected to participate in the Moscow 1980 summer Olympics.

The President and Congress, in ordering a boycott of U.S. athletes from the Moscow games, did in fact agonize over the ramifications on our athletes. The many hours which go into training simply to be named to an Olympic team constitutes a major individual commitment. I was one of many who had called for an alternate Olympics but logistics never were able to be worked out.

H.R. 7482 pays an appropriate tribute to the Americans who would have represented us at the summer Olympics. The gold medals we are providing are in recognition of their outstanding athletic achievements. However, I feel that the individual acts of patriotism should also be noted.

The Soviet invasion of Afghanistan was an act of aggression and arrogance which could not go unresponded to. If we are going to accept Soviet adventurism or worse intervention in the internal affairs of nations—then there is something fundamentally wrong with this Nation. Our decision to boycott the Olympics was a significant statement of opposition to Soviet policies. The fact that we have been joined by a host of nations in a boycott is a testimony to the soundness of our position.

American athletes of Olympic caliber should be given recognition by this Congress and the American people. I fervently hope that these athletes will be able to compete in future Olympics and give this Nation the kind of thrills that were so much a part of the Lake Placid games.

I salute my colleague and friend from illinois (Mr. ANNUNZIO) for taking this important legislative initiative. I urge passage.●

Mr. ANNUNZIO. Mr. Speaker, I have no further requests for time, and I move the previous question.

The SPEAKER pro tempore (Mr. DINGELL). The question is on the motion offered by the gentleman from Illinois (Mr. ANNUNZIO) that the House suspend the rules and pass the bill, H.R. 7482, as amended.

The question was taken.

Mr. COLLINS of Texas. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The SPEAKER pro tempore. Pursuant to the provisions of clause 3, rule XXVII, and the Chair's prior announcement, further proceedings on this motion will be postponed.

GENERAL LEAVE

Mr. ANNUNZIO. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks on the bill just considered.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Illinois?

There was no objection.

NATIONAL TOURISM POLICY ACT

Mr. FLORIO. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 7321) to establish a national tourism policy, a Cabinet-level coordinating council, and a board to develop and formulate a marketing and implementing plan to carry out the national tourism policy and a promotional program to further enhance travel to the United States by foreign visitors, as amended.

The Clerk read as follows:

H.R. 7321

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SHORT TITLE

SECTION 1. This Act may be cited as the "National Tourism Policy Act".

DEFINITIONS

SEC. 2. As used in this Act, the term—

(1) "Board means the United States Tourism Planning and Implementation Board established under title III of this Act;

(2) "Council" means the National Tourism Policy Council established under title II of this Act; and

(3) "State" means the several States of the United States, the District of Columbia, the Commonwealth of Puerto Rico, and the territories and possessions of the United States.

TITLE I—NATIONAL TOURISM POLICY

FINDINGS AND PURPOSE

SEC. 101. (a) FINDINGS.—The Congress finds that—

(1) it is in the national interest to encourage the orderly growth and development of tourism to and within the United States;

(2) the tourism and recreation industries are important to the United States, not only because of the numbers of people they serve and the vast human, financial, and physical resources they employ, but because of the great benefits tourism, recreation, and related activities confer on individuals and on society as a whole;

(3) the tourism and recreational industries have become increasingly important to the economic growth of the United States and generate revenues which are important in reducing the balance-of-payments deficit;

(4) the Federal Government for many years has encouraged tourism and recreation implicitly in its statutory commitments to a shorter workyear and to a national passenger transportation system, and explicitly in a number of legislative enactments to promote tourism and support development of outdoor recreation, cultural attractions, and heritage conservation;

(5) incomes and leisure time continue to increase and as our economic and political systems create more complex global relationships, tourism and recreation become ever more important aspects of our daily lives and our growing leisure time;

(6) the existing extensive Federal Government involvement in tourism, recreation, and other related activities needs to be better coordinated to respond effectively to the national interests in tourism and recreation and, where appropriate, to meet the needs of State and local governments and the private sector;

(7) orderly growth and development of tourism is an important concern for regional, State, local, and private entities;

(8) orderly growth and development of tourism depends on the efforts of the public and private sectors of that industry to assure that the objectives of the national tourism policy are implemented to the maximum extent consistent with other public policy objectives;

(9) in view of the importance of travel and tourism to the economy of the United States and the pervasive Federal policy and program involvement in tourism, it is necessary and appropriate for the Federal Government to complement, assist, and support mechanisms that will most effectively assure implementation of the national tourism policy;

(10) it is necessary to assure that the extensive Federal policy and program involvement in tourism is responsive to the national interests;

(11) it is in the best interest of the Nation and the tourism and recreation industries to proceed in an orderly fashion toward the development of a promotional program for advancing and enhancing tourism in and to the United States.

(b) PURPOSE.—It is the purpose of this title to establish the framework for a cooperative effort between the Federal Government, States, regions, and local governments and other concerned public and private organizations, to use all practicable means, including financial and technical assistance, to implement a national tourism policy that will—

(1) optimize the contribution of the tourism and recreation industries to economic prosperity, full employment, and the international balance of payments of the United States;

(2) enhance the promotional aspects of tourism through an improved, cooperative effort between the Federal Government and the tourism industry, maximizing the private sector involvement to the greatest extent possible;

(3) promote the continued development and availability of alternative personal payment mechanisms which facilitate national and international travel;

(4) assist in the collection, analysis, and dissemination of data which accurately measure the economic and social impact of tourism to and in the United States, in order to facilitate planning in the public and private sector;

(5) harmonize, to the maximum extent possible, all Federal activities in support of tourism and recreation with the needs of the general public and the States, regions, local governments, and the private and public sectors of the tourism and recreation industry, and give leadership to all organizations and individuals concerned with tourism, recreation, and national heritage conservation in the United States;

(6) insure the compatibility of tourism and recreation with other national interests in energy development and conservation, environmental protection, and the judicious use of natural resources;

(7) preserve the historical and cultural foundations of the Nation as a living part of community life and development, and insure future generations an opportunity to appreciate and enjoy the rich heritage of the Nation;

(8) contribute to personal growth, health, education, and intercultural appreciation of the geography, history, and ethnicity of the United States;

(9) make the opportunity for and benefits of tourism and recreation in the United States universally accessible to residents of the United States and foreign countries and insure that present and future generations are afforded adequate tourism and recreation resources;

(10) promote quality, integrity, and reliability in all tourism and tourism-related services offered to visitors to the United States;

(11) encourage the free and welcome entry of individuals traveling to the United States, in order to enhance international understanding and goodwill, consistent with the immigration laws, the laws protecting the public health, and the laws governing the importation of goods into the United States; and

(12) encourage competition in the tourism industry and maximum consumer choice through the continued viability of the retail travel agent industry and the independent tour operator industry.

TITLE II—NATIONAL TOURISM POLICY COUNCIL

ESTABLISHMENT OF THE COUNCIL

SEC. 201. (a) ESTABLISHMENT.—There is hereby established, as an independent entity in the executive branch of the Federal Government, a National Tourism Policy Council. The Council shall be the principal coordinating body for policies, programs, and issues relating to tourism, recreation, or national heritage conservation involving Federal departments, agencies, or instrumentalities.

(b) MEMBERSHIP.—The Council shall consist of—

(1) one person designated by the President from the Executive Office of the President, who shall serve as Chairman of the Council;

(2) the Secretary of Commerce, or the person designated by such Secretary from the Industry and Trade Administration of the Department of Commerce;

(3) the Secretary of Energy, or the person designated by such Secretary from the Department of Energy;

(4) the Secretary of State, or the person designated by such Secretary from the Department of State;

(5) the Secretary of the Interior, or the person designated by such Secretary from the National Park Service or the Heritage Conservation and Recreation Service of the Department of the Interior;

(6) the Secretary of Labor, or the person designated by such Secretary from the Department of Labor;

(7) The Secretary of Transportation, or the person designated by such Secretary from the Department of Transportation; and

(8) the Chairman of the Board established under title III of this Act.

(c) CHAIRMAN AND VICE-CHAIRMAN.—(1) The Chairman of the Council shall serve in that capacity until such time as a new Chairman is appointed by the President. Each successive Chairman shall be appointed from the Executive Office of the President.

(2) Each member of the Council (other than the Chairman) shall serve a one-year term as Vice-Chairman. The position of Vice-Chairman shall rotate in the order set forth in subsection (b)(2)–(7) of this section.

(d) ALTERNATES.—(1) Each member of the Council, other than the Chairman and the Vice-Chairman, may designate an alternate, who shall serve as a member of the Council whenever the regular member is unable to attend a meeting of the Council or any committee of the Council. Any member designating an alternate shall, to the maximum extent practicable, designate the same individual to serve as alternate on each occasion such member is unable to be in attendance.

(2) Any person designated as an alternate under this subsection shall be selected from those individuals who exercise significant decisionmaking authority in the Federal department involved and shall be authorized to make decisions on behalf of the member.

(e) REPRESENTATIVE FROM THE BOARD.—The Chairman of the Board created under title III of this Act shall participate in all meetings of the Council, and shall serve as liaison to the Council as a nonvoting member.

(f) MEETINGS.—(1) The Council shall conduct its first meeting not later than ninety days after the date of enactment of this Act. Thereafter, the Council shall meet not less than once every ninety days, but may meet more frequently, at the call of the Chairman, in any case of any emergency.

(2) All meetings of the Council, including any committee of the Council, shall be open to the public.

(3) A majority of the voting members of the Council shall constitute a quorum for purposes of transacting any business of the Council.

(g) EXPENSES.—Members of the Council shall serve without additional compensation, but shall be reimbused for actual and necessary expenses, including travel expenses, incurred by them in carrying out the duties of the Council.

EXECUTIVE DIRECTOR OF THE COUNCIL

SEC. 202. (a) APPOINTMENT.—The Chairman, with the approval of the Council, shall appoint an Executive Director who shall serve in a full-time capacity as the chief executive officer of the Council. The Executive Director—

(1) shall be an individual who, by virtue of training, experience, and attainments, is well-qualified to appraise programs and activities of the Federal Government in light of the policies set forth in title I of this Act and to formulate recommendations for the improvement of such programs and activities;

(2) shall be appointed without regard to title 5 of the United States Code governing appointments in the competitive service;

(3) shall be compensated at the rate of pay in effect from time to time for level V of the Executive Schedule under section 5316 of title 5 of the United States Code; and

(4) shall not concurrently hold any other office or position of employment with the Federal Government.

(b) AUTHORITY.—The Executive Director, with the approval of the Council, may utilize such secretarial, clerical, and other assistance from the Department of Commerce as the Executive Director considers necessary to carry out the functions of the Council under this title. The Secretary of Commerce shall, upon the request of the Executive Director, make such assistance available to the Council.

(c) FEDERAL DEPARTMENT AND AGENCY ASSISTANCE.—(1) Each Federal department or agency shall furnish the Council with such information, services, and facilities as the Executive Director may request, to the extent permitted by law and within the limits of available funds.

(2) Federal agencies and departments may, in their discertion, detail to temporary duty with the Council such personnel as the Executive Director may request for carrying out the functions of the Council. Any such detail shall be without loss of seniority, pay, or other employee status.

FUNCTIONS OF THE COUNCIL

SEC. 203. The Council shall be the principal coordinating body for policies, programs, and issues relating to tourism, recreation, or national heritage conservation involving Federal departments, agencies, or instrumentalities. Among other things, the Council shall—

(1) monitor the policies and programs of Federal departments, agencies, and instrumentalities that have a significant effect on tourism, recreation, or national heritage conservation;

(2) develop methods for resolving interagency policy conflicts that relate to tourism, recreation, or national heritage conservation;

(3) organize forums for purposes of coordinating interagency programs and discussing major policy decisions that significantly affect tourism;

(4) prepare and submit comments to Federal departments, agencies, and instrumentalities regarding policies and programs in that department, agency, or instrumentality which significantly affect tourism;

(5) seek and receive concerns and views of State and local governments and the private sector with respect to Federal programs and policies deemed to conflict with the orderly growth and development of tourism; and

(6) direct Council staff activities, including but not limited to the study of appropriate issues and the preparation of reports.

COORDINATION WITH FEDERAL DEPARTMENTS, AGENCIES, AND INSTRUMENTALITIES

SEC. 204. (a) COUNCIL CONSIDERATIONS.—Whenever the Council considers any matter that significantly affects the interests of a Federal department, agency, or instrumentality that is not represented on the Council, the Chairman, may invite the head of such department, agency, or instrumentality (or a designated representative of such person) to participate in the deliberations of the Council.

(b) NOTIFICATION.—Whenever any Federal department, agency, or instrumentality is engaged or is about to engage in any activity significantly affecting travel, tourism,

recreation, or national heritage conservation, it shall so notify the Council.

(c) AGENCY ACTIVITIES.—Whenever the Council determines that any Federal department, agency, or instrumentality is engaged or is about to engage in any activity significantly affecting tourism, recreation, or national heritage conservation in the United States, the Council shall request the head of such department, agency, or instrumentality to afford the Council a reasonable period of time (except in cases of emergency) to provide comments and recommendations with respect to such activtiy.

(d) REVIEW AND CONSIDERATION.—Each Federal department, agency, and instrumentality engaged in developing policies and programs (including the promulgation of rules and regulations) that significantly affect tourism shall review and consider the comments and recommendations of the Council made pursuant to this title.

POLICY COMMITTEES

SEC. 205. (a) ESTABLISHMENT.—The Council shall establish such policy committees as it considers necessary and appropriate, each of which shall be comprised of any or all of the members of the Council and representatives from Federal departments, agencies, and instrumentalities not represented on the Council. Each such policy committee shall be designed—

(1) to monitor a specific area of Federal Government activity, such as transportation, energy and natural resources, economic development, or other such activities related to tourism; and

(2) to review and evaluate the relation of the policies and activities of the Federal Government in that specific area to tourism, recreation, and national heritage conservation in the United States.

(b) RESPONSIBILITIES.—Each policy committee established under subsection (a) of this section shall review and comment on Federal agency program and planning documents that will have a substantial effect on tourism, recreation, and national heritage conservation and that are appropriate to such committee's functional responsibilities and agency representation. Each policy committee may also initiate its own agenda and discuss tourism, recreation, and national heritage conservation related issues, and problems referred to it by the tourism and recreation industry through the Council.

ADMINISTRATIVE PROVISIONS

SEC. 206. (a) PROCEDURES.—In order to carry out the provisions of this title, the Council may establish such procedures as it considers necessary and appropriate to govern its activities under this title.

(b) GSA SERVICES.—The General Services Administration shall provide administrative services for the Council on a reimbursable basis.

ANNUAL REPORTS

SEC. 207. Beginning with the first complete fiscal year following the date of enactment of this Act, the Council shall, no later than December 31 of each year, submit an annual report for the preceding fiscal year to the President and to the Congress. Each such report shall include—

(1) a comprehensive and detailed report of the activities and accomplishments of the Council and its policy committees;

(2) the results of Council efforts to (A) coordinate the policies and programs of Federal departments, agencies, and instrumentalities that have a significant effect on tourism, recreation, and heritage conservation, and (B) resolve interagency conflicts;

(3) an analysis of problems referred to the Council by State and local governments, the Board created under title III of this Act (or its successor), the tourism industry, or any of the Council's policy committees, together with a detailed statement of any actions taken or anticipated to be taken to resolve such problems; and

(4) recommendations for such legislative or administrative action as the Council considers appropriate.

AUTHORIZATIONS OF APPROPRIATIONS

SEC. 208. There is hereby authorized to be appropriated to carry out the provisions of this title $250,000 for the fiscal year ending September 30, 1981.

TITLE III—THE UNITED STATES TOURISM AND PLANNING IMPLEMENTATION BOARD

ESTABLISHMENT OF THE BOARD

SEC. 301. (a) ESTABLISHMENT.—(1) There is established, as an independent entity in the executive branch of the Federal Government, the United States Tourism Planning and Implementation Board (hereinafter in this title referred to as the "Board"). The Board shall consist of—

(A) seventeen voting members appointed in accordance with this section by the President, by and with the advice and consent of the Senate; and

(B) one nonvoting member, who shall be the Chairman of the National Tourism Policy Council established under title II of this Act.

(2) Not more than nine of the voting members of the Board may be members of the same political party.

(3) The initial voting members of the Board shall be appointed by the President within sixty days after the date of enactment of this Act.

(b) MEMBERSHIP.—(1) The voting members of the Board shall be appointed as follows:

(A) The members shall be selected for appointment so as to provide as nearly as practicable a broad representation of different geographical regions within the United States and of the diverse and varied segments of the tourism industry.

(B) Fourteen of the members shall be appointed from among citizens of the United States who are senior executive officers of organizations engaged in the travel and tourism industry and who are not regular full-time employees of the United States. Of such members—

(i) at least one shall be a senior representative from a labor organization representing employees of the tourism industry; and

(ii) at least one shall be a representative of the States who is knowledgeable of tourism promotion.

(C) Of the remaining three members of the Board—

(i) one member shall be a consumer advocate or ombudsman from the organized public interest community;

(ii) one member shall be an economist, statistician, or accountant; and

(iii) one member shall be an individual from the academic community who is knowledgeable in tourism, recreation, or national heritage conservation.

(c) EXPENSES.—Members of the Board shall serve without compensation, but shall be reimbursed for actual and necessary expenses, including travel expenses, incurred by them in carrying out the duties of the Board.

(d) STAFF.—The Board may appoint and fix the pay of such staff personnel as it considers appropriate. Such personnel may be appointed without regard to the provisions of title 5, United States Code, governing appointments in the competitive service, and may be paid without regard to the provisions of chapter 51 and subchapter III of chapter 53 of such title relating to classification and General Schedule pay rates, except that no individual so appointed may receive pay in excess of the annual rate of basic pay payable for GS-18 of the General Schedule.

PURPOSE OF THE BOARD

SEC. 302. (a) PLAN.—The Board shall develop a comprehensive and detailed marketing and implementation plan to stimulate and promote tourism to the United States by residents of foreign countries.

(b) DEVELOPMENT.—(1) In developing the plan required under subsection (a), the Board shall evaluate alternative means to stimulate and promote tourism to the United States by residents of foreign countries.

(2) The Board shall consider the creation of a private corporation, federally chartered corporation, or other entity for the promotion of tourism and shall consider the appropriateness of authorizing such an entity to exercise the following powers:

(A) The establishment of branch offices in foreign countries and offices to facilitate services at United States ports-of-entry.

(B) Consultation with foreign countries on travel and tourism matters and, in accordance with applicable law, representing United States travel and tourism interests in international meetings, conferences, and expositions.

(C) Participation as a party in interest in proceedings before Federal agencies when such participation is necessary to implement or further the national tourism policy set forth in title I of this Act.

(D) Monitoring the existing and proposed policies and programs of Federal departments and agencies that significantly affect tourism—

(i) for purposes of ascertaining whether, insofar as consistent with other public policy objectives, such policies and programs are in furtherance of the objectives of the national tourism policy, and

(ii) for purposes of ascertaining instances of interagency and intraagency duplication or contradiction; and

reporting the results of its monitoring activities semiannually (or more frequently if necessary) to the appropriate departments and agencies and the Congress.

(E) Developing and administering a comprehensive program relating to consumer information, protection, and education; and

(F) Encouraging, to the maximum extent feasible, travel to and from the United States on United States carriers.

(3) The Board shall consider the development of new or expanded Federal programs for the promotion of tourism.

(c) PLAN REQUIREMENTS.—The plan required to be developed by the Board shall include the following:

(1) A promotional program for enhancing and improving travel for tourism purposes to the United States by foreign visitors.

(2) The funding levels required to effectively implement such a program.

(3) If the plan provides for the creation of a private corporation, federally chartered corporation, or other entity—

(A) provision for the most fair and practical means of providing funding from private as well as public sources for purposes of financing the activities of the entity;

(B) a statement of the administrative cost and budget projections for the first five-year period of operation of the entity; and

(C) provision for personnel for the entity;

In formulating the provisions under paragraph (3) respecting funding such an entity, the Board shall consider alternative means of funding the entity, including the feasibility of funding by means of an industry assessment, based on a percentage of gross revenues, on private business organizations

engaged in the tourism and recreation industry. In formulating the provisions respecting personnel of the entity, the Board shall consider the appropriateness of transferring present employees of the United States Travel Service to the entity. The Board shall also consider the various laws which would apply to the entity and its activities, including tax and travel laws.

(d) REPORT AND CONGRESSIONAL APPROVAL.—(1) No later than October 1, 1981, the Board shall submit the plan required by subsection (a) to both Houses of the Congress, and to the Committee on Interstate and Foreign Commerce of the House of Representatives and the Committee on Commerce, Science, and Transportation of the Senate.

(2)(A) The plan submitted under paragraph (1) of this subsection shall not take effect unless within sixty days of continuous session after the date of such submission, both Houses of the Congress adopt a concurrent resolution stating in substance that they approve such plan.

(B) For purposes of subparagraph (A)—

(i) continuity of session is broken only by an adjournment sine die; and

(ii) the days on which either House is not in session because of an adjournment of more than five days to a day certain are excluded in the computation of the sixty-day period.

(C) The procedures set forth in section 552 of the Energy Policy and Conservation Act (42 U.S.C. 6422) shall apply to any concurrent resolution of approval of a plan submitted to the Congress under this subsection.

(3) If a plan submitted to Congress is not approved in accordance with this subsection, the Board shall revise and resubmit another plan to the Congress not later than the expiration of six months after the date the previous plan was not approved.

ADMINISTRATIVE POWERS AND MISCELLANEOUS PROVISIONS

SEC. 303. (a) IN GENERAL.—Any federally chartered entity created pursuant to a plan of the Board approved under section 302 shall be subject to the requirements of this section.

(b) GENERAL POWERS.—The federally chartered entity shall have the usual powers conferred upon a nonprofit corporation by the District of Columbia Nonprofit Corporation Act, to the extent that such powers are not inconsistent with this title. In addition, the federally chartered entity is authorized to—

(1) enter into such contracts, agreements, or other transactions as the entity considers appropriate, relying on competitive bidding to the maximum extent practicable;

(2) accept in the name of the entity, and employ or dispose of in furtherance of the purposes of this title, any money, or property, real, personal, or mixed, tangible or intangible, received by gift, devise, bequest, or otherwise;

(3) appoint such officers and employees as the entity considers necessary, and fix their compensation without regard to the provisions of chapter 51 and subchapter III of chapter 53 of title 5 of the United States Code, except that no officer or employee of the federally chartered entity may be compensated in excess of the rate of pay in effect from time to time for level I of the Executive Schedule under section 5312 of title 5 of the United States Code;

(4) obtain the services of experts and consultants without regard to section 3109 of title 5 of the United States Code, except that no such expert or consultant may be compensated at a rate of pay which exceeds the daily equivalent of rates in effect from time to time for positions in grade GS–18 of the General Schedule under section 5332 of title 5 of the United States Code;

(5) accept voluntary and uncompensated services of attorneys, consultants, and experts, notwithstanding any other provision of law;

(6) appoint, without compensation, such advisory committees as the entity considers appropriate; and

(7) accept and use with their consent, with or without reimbursement, such personnel, services, equipment, and facilities of departments and agencies of the Federal Government, State governments, or local political subdivisions thereof, as are necessary to conduct the activities of the entity efficiently.

(c) FEDERAL DEPARTMENT AND AGENCY ASSISTANCE.—Upon request of the chief executive officer of the federally chartered entity, each Federal department and agency shall—

(1) make its services, personnel, and facilities available, to the maximum extent practicable, to assist the federally chartered entity in the performance of its functions; and

(2) furnish the entity, subject to the provisions of applicable law, such information, suggestions, estimates, and statistics as the chief executive officer of the entity may request.

(d) PROHIBITED ACTIVITIES.—The federally chartered entity may not—

(1) provide or arrange for transportation or accommodations for persons traveling between other countries and the United States, or between points within the United States, in competition with businesses engaged in providing or arranging for such transportation or accommodations;

(2) operate industry trade shows or related activities within the United States or provide personnel or financial assistance for such trade shows or activities;

(3) engage in any activity in competition with any State or local government or any private entity;

(4) lend money to employees; or

(5) own stock in another corporation.

(e) STOCK.—The entity shall have no power to issue any shares of stock or to declare or pay any dividends.

(f) INCOME AND ASSETS.—The income and assets of the federally chartered entity shall not be used for any purpose other than carrying out the purposes of the entity, and no part of such income or assets shall insure to the benefit of any director, officer, employee, or any other individual except as salary or reasonable compensation for services.

(g) POLITICAL CONTRIBUTIONS.—The federally chartered entity may not contribute to or otherwise support any political party or candidate for elective public office.

(h) REPORT.—The federally chartered entity shall, no later than ninety days after the end of each fiscal year, submit an annual report for that fiscal year to the President and to the Congress. Each such report shall include a comprehensive and detailed report of the entity's operations, activities, financial condition, and accomplishments, and may include recommendations for such legislative and administrative action as the entity considers appropriate.

RECORDS AND AUDIT

SEC. 304. (a) IN GENERAL.—Any entity created pursuant to a plan of the Board approved under section 302 shall be subject to the requirements of this section.

(b) AUDITS.—The accounts of the entity shall be audited annually in accordance with generally accepted auditing standards by independent certified public accountants or independent licensed public accountants certified or licensed by a regulatory authority of a State. The audits shall be conducted at the place or places where accounts of the entity are normally kept. All books, accounts, financial records, reports, files, and all other papers, things, or property belonging to or in use by the entity and necessary to facilitate the audits shall be made available to the person conducting the audits, and full facilities for verifying transactions with the balances or securities held by depositories, fiscal agents, and custodians shall be afforded to such person.

(c) REPORTS.—The report of each such independent audit shall set forth the scope of the audit and shall include such statements as are necessary to present fairly the entity's assets and liabilities and surplus or deficit, with an analysis of the changes therein during the year, supplemented in reasonable detail by a statement of the sources and application of funds, together with the independent auditor's opinion of those statements.

(d) GAO AUDIT.—(1) The financial transactions of the entity for any fiscal year during which Federal funds are available to finance any portion of its operations may be audited by the Comptroller General of the United States in accordance with the principles and procedures applicable to commercial corporate transactions and under such rules and regulations as the Comptroller General may prescribe. Any such audit shall be conducted at the place or places where accounts of the entity are normally kept. The representatives of the Comptroller General shall have access to all books, accounts, records, reports, files, and all other papers, things, or property belonging to or in use by the entity pertaining to its financial transactions and necessary to facilitate the audit, and shall be afforded full facilities for verifying transactions with the balances of securities held by depositories, fiscal agents, and custodians. All such books, accounts, records, reports, files, papers, and property of the entity shall remain in the possession and custody of the entity.

(2) A report of each audit shall be made by the Comptroller General to the Congress. The report to the Congress shall contain such comments and information as the Comptroller General considers necessary to inform the Congress of the financial operations and condition of the entity, together with such recommendations with respect thereto as he considers appropriate. The report shall also show specifically any program, expenditure, or other financial transaction or undertaking observed in the course of the audit which, in the opinion of the Comptroller General, has been carried on or made without authority of law. A copy of each report shall be furnished to the President and to the entity at the time it is submitted to the Congress.

AUTHORIZATION OF APPROPRIATIONS

SEC. 305. (a) AUTHORIZATION.—There is authorized to be appropriated for the expenses of the Board under this title $450,000 for the fiscal year ending September 30, 1981.

(b) LIMITATION.—Nothing contained in this title shall be construed to commit the Federal Government to provide any sums for the payment of any obligation of the Board which exceeds amounts provided in advance in appropriation Acts.

TITLE IV—AMENDMENTS TO THE INTERNATIONAL TRAVEL ACT

REPORTING REQUIREMENTS

SEC. 401. The first sentence of section 4 of the International Travel Act of 1961 (22 U.S.C. 2124) is amended by inserting "on all matters concerning tourism and shall report to the Under Secretary for International Trade on those matters which involve both tourism and trade" immediately before the period.

AUTHORIZATION OF APPROPRIATIONS

SEC. 402. The first sentence of section 6 of the International Travel Act of 1961 (22 U.S.C. 2126) is amended—

(1) by striking out "and" immediately before "(8)"; and

(2) by inserting immediately before the period at the end thereof the following: "; and (9) $8,600,000 for the fiscal year ending September 30, 1981, of which not more than $100,000 shall be available to carry out section 5A of this Act".

FEDERAL ASSISTANCE FOR REGIONAL PROMOTION OF TOURISM

SEC. 403. The International Travel Act of 1961 (22 U.S.C. 2121 et seq.) is amended by inserting after section 5 the following new section:

"SEC. 5A. (a) The Secretary is authorized to provide financial assistance to a region of not less than two States or portions of two States to assist in the implementation of a regional tourism promotional and marketing program. Such assistance shall include, but need not be limited to (1) technical assistance for advancing the promotion of travel to such region by foreign visitors, (2) expert consultants, and (3) marketing and promotional assistance.

"(b) Any program carried out under this section shall serve as a demonstration project for future program development for regional tourism promotion.

"(c) An applicant for financial assistance under this section for a particular region must demonstrate to the Secretary that—

"(1) such region has in the past been an area that has attracted foreign visitors, but such visits have significantly decreased;

"(2) facilities are being developed or improved to reattract such foreign visitors;

"(3) a joint venture in such region will increase the travel to such region by foreign visitors;

"(4) such regional program will contribute to the economic well-being of the region;

"(5) such region is developing or has developed a regional transportation system that will enhance travel to the facilities and attractions within such region; and

"(6) a correlation exists between increased tourism to such region and the lowering of the unemployment rate in such region.".

TIME PERIOD FOR PERSONNEL REDUCTION

SEC. 404. Section 9 of the International Travel Act of 1961 (22 U.S.C. 2128) is amended by striking out "as of September 1, 1979, and thereafter," and inserting in lieu thereof "during the period beginning October 1, 1980, and ending September 30, 1981,".

The SPEAKER pro tempore. Pursuant to the rule, a second is not required on this motion.

The gentleman from New Jersey (Mr. FLORIO) will be recognized for 20 minutes, and the gentleman from Illinois (Mr. MADIGAN) will be recognized for 20 minutes.

The Chair recognizes the gentleman from New Jersey (Mr. FLORIO).

Mr. FLORIO. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, today we are dealing with a very important piece of legislation that services an area that for too long has been overlooked.

For too long the enormous economic and social benefits of international tourism have failed to be recognized.

Successive administrations have ignored its potential and relegated tourism activities to a minor status in a small office of the Department of Commerce (USTS).

This small office has had some success in encouraging foreign travelers to visit the United States through its overseas offices, and collects and distributes valuable data, but it has neither the resources nor the mandate to conduct what is needed—a vigorous and creative program to stimulate travel to the United States.

Mr. Speaker, international tourism is one of the world's major growth industries, yet the growth in the number of foreign travelers to the United States has been slower than the world's international tourism growth. Presently the United States receives only 6.7 to 8 percent of the world's tourists. We have a land of abundant scenic and cultural attractions there is no reason why the United States should not receive its fair share of the travelers.

In this time of high unemployment we simply cannot afford to ignore the significant impact that tourism has on jobs. The industry is made up of diverse component parts related to transportation, lodging, food and recreation all of which are highly labor intensive and tend to employ a high proportion of persons in the "hard to employ" category who have limited skills, thus it is of vital assistance in a critical employment segment.

Let me explain how this bill will help.

H.R. 7321 sets the United States on a new and vigorous course to encourage foreign tourists to visit the United States and it does so for a very small amount of money. The total sum authorized is $9.3 million. Of this amount $8.6 million is simply reauthorization for the United States travel service to continue its ongoing operations, in its overseas offices and its important monitoring and data gathering functions.

The remaining money is targeted at two crucial functions. First, establishment of a coordinating council charged with the responsibility of monitoring the various policies and programs of the Federal Government that have a significant impact on tourism, in order to develop methods of avoiding conflicts and to insure consistency of Federal programs related to tourism. The need for this type of council was evident as the committee discovered that in 1973 there was over 115 programs in over 50 agencies that that directly concerns tourism, yet, these programs are often conflicting, contradictory or inconsistent. The committee believes the council will provide the necessary coordination to avoid this in the future; $250,000 is authorized to operate the council.

Second. Clearly the most significant provision of the legislation is the establishment of a U.S. Tourism and Planning Implementation Board which is charged with the mission of developing a comprehensive and detailed marketing and implementing plan to stimulate and promote tourism to the United States. The Board is to submit the plan to the committee within a year. The committee expects this marketing plan to be the basis for a new partnership between the Government and the private sector in a comprehensive program to promote tournism to the United States. We are relying on the Board to develop a creative, practical program, to suggest the appropriate entity to carry it out, and to recommend how the private sector can best participate in its financing. The Congress can then proceed to enact those statutory changes necessary to implement the plan; $450,000 is authorized to the Board to develop the plan—a bargain considering the benefits the United States has to gain from increasing tourism.

This title of the bill also provides for a concurrent resolution for the purpose of approving of the recommendations contained in the plan. The amendment I am offering today clarifies the fact that this concurrent resolution is intended only to express the sense of the Congress that it approves of the plan. The Committee is fully cognizant of the fact that any statutory changes needed to implement the plan will require new legislation, and the signature of the President, in order to become law. The administration has informed me that this amendment remedies the only difficulty they had with the bill and that they are now fully supportive.

Mr. Speaker, this bill was reported out of the subcommittee by a unanimous vote. It has achieved the bipartisan support of members who are seeking to stimulate international travel to the United States and actively encourage the growth and development of the tourism and travel industries.

□ 1230

Mr. Speaker, I reserve the remainder of my time.

Mr. MADIGAN. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I am pleased to support H.R. 7321, the National Tourism Policy Act. Last year, when the Congress considered the reauthorization of the U.S. Travel Service, several of us indicated that we were not satisfied with the present effort of the USTS and we expressed the hope that this Congress would be able to definitively outline our national tourism policy and determine what the Federal role should be.

We agreed that the travel and tourism industry has not received adequate policy support or guidance from the Federal Government.

Members of the subcommittee have worked closely with administration and with representatives of the tourism and travel industry in an effort to formulate an effective Federal policy.

Under the able leadership of the gentleman from Nevada (Mr. SANTINI), the House Tourism Caucus has played an important and impressive role in the efforts to aid that policy formulation.

We intend to work closely with our colleagues in the Senate, because this Congress must insure that the third largest industry in this Nation, the tourism industry, receives proper consideration when policies are made that impact on that industry.

Many of us expressed concern about the creation of a federally funded quasi-public corporation that would replace the USTS. We were equally concerned with the suggestion that the Federal Government finance an advertising and promotion effort without really knowing beforehand what that marketing plan would be, how it would be implemented, and who would pay for it.

Mr. Speaker, I have been fortunate enough in recent years to visit several foreign countries. Whenever I travel abroad, what always astonishes me is the number of people whose lifelong ambition it is to travel to the United States.

And I must admit that whenever I see Robert Morley urging U.S. travel to Great Britain and see television ads telling me that "it is better in the Bahamas," I wonder if we are not missing the boat by not doing a better job of promoting travel to this great country of ours.

This bill provides an authorization of $8.6 million for the U.S. Travel Service and assures the placement of USTS at its proper level within the Department of Commerce. In addition, this bill establishes the National Tourism Policy Council. This Council will monitor activities within the Federal Government that affect tourism and will fully evaluate those activities as to the impact such policies will have on tourism.

This bill also establishes the U.S. Tourism Planning and Implementing Board. The purpose of this Board is to develop marketing and promotion plans that will promote travel to the United States by foreign visitors. This Board will report back to us so that next year, prior to developing authorizations for fiscal year 1982, we will be able to make the judgment as to what role, if any, the Federal Government should have in the financing of an advertising and marketing effort. Before we can properly make those judgments, we need to have a plan outlined for us. Before we should make any long-term commitments, we must have a better idea of how much an effective advertising campaign will cost and how much industry is willing to participate in paying its share of that cost.

Mr. Speaker, tourism is a vital segment of our economy. At a time when we are all concerned about Federal expenditures and we are equally concerned about the state of our economy, I think this bill is a responsible step in the right direction. I urge the support of the House for this important legislation.

Mr. Speaker, I reserve the remainder of my time.

● Mr. BROOKS. Mr. Speaker, at a time when Congress and the American people are concerned about the growth of Government, about the intrusion of Government in private industry, and about the influence of special interests on our Government, it is hard to understand why we are being asked to pass a bill like H.R. 7321, the National Tourism Policy Act of 1980.

Here is a bill that will create two independent entities within the executive branch, with the likelihood that there will be a third entity—a federally chartered nonprofit corporation—established down the line. Even more disturbing is the makeup of one of these groups and the duties and responsibilities assigned to it.

The bill creates a U.S. Tourism Planning and Implementing Board within the executive branch that will be dominated by representatives of the tourism industry. The bill specifically provides that 14 of the 17 voting members of the Board must be "senior executive officers of organizations engaged in the travel and tourism industry." The Board's primary duty will be to make recommendations to Congress for legislation that will promote tourism in the United States, very probably including the creation of a nonprofit corporation for that purpose. In other words, the Federal Government will subsidize a special interest lobby so it can develop and recommend legislation to promote its own interests. It is hard to imagine a clearer example of a conflict of interest in a Government-appointed body.

I find it particularly objectionable that this bill, even as amended on the floor, provides for a procedure whereby Congress commits itself at this time to take an up or down vote 1 year from now on the recommendations of this industry-dominated Board.

It might be understandable that Congress would be willing to surrender its legislative prerogatives to an industry-dominated group if we were dealing with a matter of great urgency or of special expertise. But the promotion of tourism hardly qualifies on either count. We already have numerous programs and policies to promote foreign trade, of which foreign tourism is a part. Our airlines and resorts are busily and capably engaged in attracting customers from all over the world. Our States that fancy themselves as tourist attractions have energetic and effective promotion programs to call attention to themselves.

There not only is no need for this costly and cumbersome involvement of the U.S. Government in the tourist industry, there is a positive requirement that we avoid it in the interest of trying to bring the Federal Government under control.●

● Mr. PEPPER. Mr. Speaker, honored colleagues, distinguished ladies and gentlemen present, I would like to commend this body of the Congress today, for passing a bill in which I have been most interested, almost from its inception at the beginning of this Congress when I called for the establishment of a national tourism policy, explaining its importance for my area, Dade County, through which annually pass over 13 million tourists, generating over $5 billion for Dade County's economy in jobs, services, and goods. This bill, H.R. 7321, named the National Tourism Policy Act, would continue to keep alive the U.S. Travel Service in the Commerce Department, allowing it to keep up its vigorous promotion of U.S. attractions abroad and at home, reaping foreign exchange dollars for our economy, jobs for our people, and bringing the United States closer to its allies on other shores. In addition, I have long supported the establishment of a council to bring forward ideas on improving our tourism industry, heritage, and attractions to expand this enormous area of American industry, which accounts for about $100 billion of the GNP, and to enlarge everyone's sliver of this gigantic beneficial sector of our economy.

I would like to commend my colleagues on the Committee on Interstate and Foreign Commerce and in the congressional tourism caucus we formed last year, for their hard and diligent work on this proposal, which became reality today, and which, if it bears full fruit, as it should, might well encourage tourism to such an extent, that Americans will add extra guest rooms to their scenic homes all over the Nation and especially in Florida, gateway to the Carribbean and South America, as well as Western Europe.

Let us hope, now, that this good concept, embodied in the National Tourism Policy Act, can be expanded upon, that the recommendations of the council can be fully implemented, inasmuch as they will benefit our tourism industry, our resorts, our people and our cities, let us hope that in the next Congress, after the President has made this bill law, we can pass another law, pursuing vigorously this great market overseas and on the American continent, waiting to come here for a reason, knowing where to go in a short time, how to get there, and so forth. Let us continue to put resources behind advertising stations abroad, spread information on our land in other lands and generally pave the way for tourists that they can in safety, reliably and eagerly enjoy this beautiful country of ours and our beautiful people, old or young, in Florida, north and south, or wherever visitors could wish to go.●

●Mr. ABDNOR. Mr. Speaker, I rise in strong support of H.R. 7321, the National Tourism Policy Act. Passage of this legislation is extremely important if we are to be successful in establishing a strong Federal commitment for the promotion of tourism in America.

For too long, the Federal Government has been lacking in the enthusiasm with which it has supported travel and recreation. This has occurred despite the fact that tourism is a leading industry in virtually every State in the Nation. The tourism industry provides hundreds of thousands of jobs, generates subtsantial tax contributions, and is a principal employer of our Nation's youth. It behooves Congress to recognize these positive attributes and do our share to promote travel and tourism on the Federal level.

One of the most positive aspects of this legislation is that it establishes a national policy and a board to implement programs designed to encourage foreign travelers to visit America. Our European neighbors have successfully employed this strategy for many years.

This measure is also important in that it cements a new bond between Congress and the tourism industry. The first step began with the advent of the Congressional Tourism Caucus. The goals and

hard work of the caucus are a primary reason why we have the opportunity to consider the legislation now before us. With the passage of the National Tourism Policy Act we will have laid the cornerstone for a bright future for travel and tourism in America.

I would urge my colleagues to strongly support the adoption of H.R. 7321.●

●Mr. JENRETTE. Mr. Speaker, realizing the important role travel and tourism plays in South Carolina, I rise to encourage support for H.R. 7321, the National Tourism Policy Act. In my State alone, it employs close to 100,000 employees and generates close to $2 billion in business receipts. It also generates well over $200 million in taxes to help support the cost of government in our society.

Since my district encompasses the great tourist area, the "Grand Strand" of South Carolina, of which Myrtle Beach is the principal city, I can personally attest to the important role travel and tourism plays in our economy. H.R. 7321 will help the residents, not only in my district but throughout my home State, to insure a strong and viable role in our economy. There is no question in my mind that travel and tourism will continue to grow in importance in our country, due to the many fine facilities, attractions, and ideal climates. We can either encourage this process through proper policies, programs, and support or retard it through lack of support, lack of attention, and simple disregard. The choice is ours, and I intend to make the one that makes the most sense: to support H.R. 7321. I hope that each of you will do the same.●

Mr. FLORIO. Mr. Speaker, I ask unanimous consent to modify my motion to suspend the rules to include in the text of the bill certain clarifying amendments to which I made reference.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New Jeresy?

There was no objection.

The bill, as modified, is as follows:

H.R. 7321

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SHORT TITLE

SECTION 1. This Act may be cited as the "National Tourism Policy Act"

DEFINITIONS

SEC. 2. As used in this Act, the term—

(1) "Board" means the United States Tourism Planning and Implementation Board established under title III of this Act;

(2) "Council" means the National Tourism Policy Council established under title II of this Act; and

(3) "State" means the several States of the United States, the District of Columbia, the Commonwealth of Puerto Rico, and the territories and possessions of the United States.

TITLE I—NATIONAL TOURISM POLICY

FINDINGS AND PURPOSE

SEC. 101. (a) FINDINGS.—The Congress finds that—

(1) it is in the national interest to encourage the orderly growth and development of tourism to and within the United States;

(2) the tourism and recreation industries are important to the United States, not only because of the numbers of people they serve and the vast human, financial, and physical resources they employ, but because of the great benefits tourism, recreation, and related activities confer on individuals and on society as a whole;

(3) the tourism and recreation industries have become increasingly important to the economic growth of the United States and generate revenues which are important in reducing the balance-of-payments deficit;

(4) the Federal Government for many years has encouraged tourism and recreation implicitly in its statutory commitments to a shorter workyear and to a national passenger transportation system, and explicitly in a number of legislative enactments to promote tourism and support development of outdoor recreation, cultural attractions, and heritage conservation;

(5) incomes and leisure time continue to increase and as our economic and political systems create more complex global relationships, tourism and recreation become ever more important aspects of our daily lives and our growing leisure time;

(6) the existing extensive Federal Government involvement in tourism, recreation, and other related activities needs to be better coordinated to respond effectively to the national interests in tourism and recreation and, where appropriate, to meet the needs of State and local governments and the private sector;

(7) orderly growth and development of tourism is an important concern for regional, State, local, and private entities;

(8) orderly growth and development of tourism depends on the efforts of the public and private sectors of that industry to assure that the objectives of the national tourism policy are implemented to the maximum extent consistent with other public policy objectives;

(9) in view of the importance of travel and tourism to the economy of the United States and the pervasive Federal policy and program involement in tourism, it is necessary and appropriate for the Federal Government to complement, assist, and support mechanisms that will most effectively assure implementation of the national tourism policy;

(10) it is necessary to assure that the extensive Federal policy and program involvement in tourism is responsive to the national interests; and

(11) it is in the best interest of the Nation and the tourism and recreation industries to proceed in an orderly fashion toward the development of a promotional program for advancing and enhancing tourism in and to the United States.

(b) PURPOSE.—It is the purpose of this title to establish the framework for a cooperative effort between the Federal Government, States, region, and local governments and other concerned public and private organizations, to use all practicable means, including financial and technical assistance, to implement a national tourism policy that will—

(1) optimize the contribution of the tourism and recreation industries to economic prosperity, full employment, and the international balance of payments of the United States;

(2) enhance the promotional aspects of tourism through an improved, cooperative effort between the Federal Government and the tourism industry, maximizing the private sector involvement to the greatest extent possible.

(3) promote the continued development and availability of alternative personal payment mechanisms which facilitate national and international travel;

(4) assist in the collection, analysis, and dissemination of data which accurately measure the economic and social impact of tourism to and in the United States, in order to facilitate planning in the public and private sector;

(5) harmonize, to the maximum extent possible, all Federal activities in support of tourism and recreation with the needs of the general public and the States, regions, local governments, and the private and public sectors of the tourism and recreation industry, and give leadership to all organizations and individuals concerned with tourism, recreation, and national heritage conservation in the United States;

(6) insure the compatibility of tourism and recreation with other national interests in energy development and conservation, environmental protection, and the judicious use of natural resources;

(7) preserve the historical and cultural foundations of the Nation as a living part of community life and development, and insure future generations an opportunity to appreciate and enjoy the rich heritage of the Nation;

(8) contribute to personal growth, health, education, and intercultural appreciation of the geography, history, and ethnicity of the United States;

(9) make the opportunity for and benefits of tourism and recreation in the United States universally accessible to residents of the United States and foreign countries and insure that present and future generations are afforded adequate tourism and recreation resources;

(10) promote quality, integrity, and reliability in all tourism and tourism-related services offered to visitors to the United States;

(11) encourage the free and welcome entry of individuals traveling to the United States, in order to enhance international understanding and goodwill, consistent with the immigration laws, the laws protecting the public health, and the laws governing the importation of goods into the United States; and

(12) encourage competition in the tourism industry and maximum consumer choice through the continued viability of the retail travel agent industry and the independent tour operator industry.

TITLE II—NATIONAL TOURISM POLICY COUNCIL

ESTABLISHMENT OF THE COUNCIL

SEC. 201. (a) ESTABLISHMENT.—There is hereby established, as an independent entity in the executive branch of the Federal Government, a National Tourism Policy Council. The Council shall be the principal coordinating body for policies, programs, and issues relating to tourism, recreation, or national heritage conservation involving Federal departments, agencies, or instrumentalities.

(b) MEMBERSHIP.—The Council shall consist of—

(1) one person designated by the President from the Executive Office of the President, who shall serve as Chairman of the Council;

(2) the Secretary of Commerce, or the person designated by such Secretary from the Industry and Trade Administration of the Department of Commerce;

(3) the Secretary of Energy, or the person designated by such Secretary from the Department of Energy;

(4) the Secretary of State, or the person designated by such Secretary from the Department of State;

(5) the Secretary of the Interior, or the person designated by such Secretary from the National Park Service or the Heritage Conservation and Recreation Service of the Department of the Interior;

(6) the Secretary of Labor, or the person designated by such Secretary from the Department of Labor;

(7) the Secretary of Transportation, or the person designated by such Secretary from the Department of Transportation; and

(8) the Chairman of the Board established under title III of this Act.

(c) CHAIRMAN AND VICE-CHAIRMAN.—(1) The Chairman of the Council shall serve in that capacity until such time as a new Chairman is appointed by the President. Each successive Chairman shall be appointed from the Executive Office of the President.

(2) Each member of the Council (other than the Chairman) shall serve a one-year term as Vice-Chairman. The position of Vice-Chairman shall rotate in the order set forth in subsection (b)(2)–(7) of this section.

(d) ALTERNATES.—Each member of the Council, other than the Chairman and the Vice-Chairman, may designate an alternate, who shall serve as a member of the Council whenever the regular member is unable to attend a meeting of the Council or any committee of the Council. Any member designating an alternate shall, to the maximum extent practicable, designate the same individual to serve as alternate on each occasion such member is unable to be in attendance.

(2) Any person designated as an alternate under this subsection shall be selected from those individuals who exercise significant decisionmaking authority in the Federal department involved and shall be authorized to make decisions on behalf of the member.

(e) REPRESENTATIVE FROM THE BOARD.—The Chairman of the Board created under title III of this Act shall participate in all meetings of the Council, and shall serve as liaison to the Council as a nonvoting member.

(f) MEETINGS.—(1) The Council shall conduct its first meeting not later than ninety days after the date of enactment of this Act. Thereafter, the Council shall meet not less than once every ninety days, but may meet more frequently, at the call of the Chairman, in any case of any emergency.

(2) All meetings of the Council, including any committee of the Council, shall be open to the public.

(3) A majority of the voting members of the Council shall constitute a quorum for purposes of transacting any business of the Council.

(g) EXPENSES.—Members of the Council shall serve without additional compensation, but shall be reimbursed for actual and necessary expenses, including travel expenses, incurred by them in carrying out the duties of the Council.

EXECUTIVE DIRECTOR OF THE COUNCIL

SEC. 202. (a) APPOINTMENT.—The Chairman, with the approval of the Council, shall appoint an Executive Director who shall serve in a full-time capacity as the chief executive officer of the Council. The Executive Director—

(1) shall be an individual who, by virtue of training, experience, and attainments, is well-qualified to appraise programs and activities of the Federal Government in light of the policies set forth in title I of this Act and to formulate recommendations for the improvement of such programs and activities;

(2) shall be appointed without regard to title 5 of the United States Code governing appointments in the competitive service;

(3) shall be compensated at the rate of pay in effect from time to time for level V of the Executive Schedule under section 5316 of title 5 of the United States Code; and

(4) shall not concurrently hold any other office or position of employment with the Federal Government.

(b) AUTHORITY.—The Executive Director, with the approval of the Council, may utilize such secretarial, clerical, and other assistance from the Department of Commerce as the Executive Director considers necessary to carry out the functions of the Council under this title. The Secretary of Commerce shall, upon the request of the Executive Director, make such assistance available to the Council.

(c) FEDERAL DEPARTMENT AND AGENCY ASSISTANCE.—(1) Each Federal department or agency shall furnish the Council with such information, services, and facilities as the Executive Director may request, to the extent permitted by law and within the limits of available funds.

(2) Federal agencies and departments may, in their discretion, detail to temporary duty with the Council such personnel as the Executive Director may request for carrying out the functions of the Council. Any such detail shall be without loss of seniority, pay, or other employee status.

FUNCTIONS OF THE COUNCIL

SEC. 203. The Council shall be the principal coordinating body for policies, programs, and issues relating to tourism, recreation, or national heritage conservation involving Federal departments, agencies, or instrumentalities. Among other things, the Council shall—

(1) monitor the policies and programs of Federal departments, agencies, and instrumentalities that have a significant effect on tourism, recreation, or national heritage conservation;

(2) develop methods for resolving interagency policy conflicts that relate to tourism, recreation, or national heritage conservation;

(3) organize forums for purposes of coordinating interagency programs and discussing major policy decisions that significantly affect tourism;

(4) prepare and submit comments to Federal departments, agencies, and instrumentalities regarding policies and programs in that department, agency, or instrumentality which significantly affect tourism;

(5) seek and receive concerns and views of State and local governments and the private sector with respect to Federal programs and policies deemed to conflict with the orderly growth and development of tourism; and

(6) direct Council staff activities, including but not limited to the study of appropriate issues and the preparation of reports.

COORDINATION WITH FEDERAL DEPARTMENTS, AGENCIES, AND INSTRUMENTALITIES

SEC. 204. (a) COUNCIL CONSIDERATIONS.—Whenever the Council considers any matter that significantly affects the interests of a Federal department, agency, or instrumentality that is not represented on the Council, the Chairman may invite the head of such department, agency, or instrumentality (or a designated representative of such person) to participate in the deliberations of the Council.

(b) NOTIFICATION.—Whenever any Federal department, agency or instrumentality is engaged or is about to engage in any activity significantly affecting travel, tourism, recreation, or national heritage conservation, it shall so notify the Council.

(c) AGENCY ACTIVITIES.—Whenever the Council determines that any Federal department, agency, or instrumentality is engaged or is about to engage in any activity significantly affecting tourism, recreation, or national heritage conservation in the United States, the Council shall request the head of such department, agency, or instrumentality to afford the Council a reasonable period of time (except in cases of emergency) to provide comments and recommendations with respect to such activity.

(d) REVIEW AND CONSIDERATION.—Each Federal department, agency, and instrumentality engaged in developing policies and programs (including the promulgation of rules and regulations) that significantly affect tourism shall review and consider the comments and recommendations of the Council made pursuant to this title.

POLICY COMMITTEES

SEC. 205. (a) ESTABLISHMENT.—The Council shall establish such policy committees as it considers necessary and appropriate, each of which shall be comprised of any or all of the members of the Council and representatives from Federal departments, agencies, and instrumentalities not represented on the Council. Each such policy committee shall be designed—

(1) to monitor a specific area of Federal Government activity, such as transportation, energy and natural resources, economic development, or other such activities related to tourism; and

(2) to review and evaluate the relation of the policies and activities of the Federal Government in that specific area to tourism, recreation, and national heritage conservation in the United States.

(b) RESPONSIBILITIES.—Each policy committee established under subsection (a) of this section shall review and comment on Federal agency program and planning documents that will have a substantial effect on tourism, recreation, and national heritage conservation and that are appropriate to such committee's functional responsibilities and agency representation. Each policy committee may also initiate its own agenda and discuss tourism, recreation, and national heritage conservation related issues, and problems referred to it by the tourism and recreation industry through the Council.

ADMINISTRATIVE PROVISIONS

SEC. 206. (a) PROCEDURES.—In order to carry out the provisions of this title, the Council may establish such procedures as it considers necessary and appropriate to govern its activities under this title.

(b) GSA SERVICES.—The General Services Administration shall provide administrative services for the Council on a reimbursable basis.

ANNUAL REPORTS

SEC. 207. Beginning with the first complete fiscal year following the date of enactment of this Act, the Council shall, no later than December 31 of each year, submit an annual report for the preceding fiscal year to the President and to the Congress. Each such report shall include—

(1) a comprehensive and detailed report of the activities and accomplishments of the Council and its policy committees;

(2) the results of Council efforts to (A) coordinate the policies and programs of Federal departments, agencies, and instrumentalities that have a significant effect on tourism, recreation, and heritage conservation, and (B) resolve interagency conflicts;

(3) an analysis of problems referred to the Council by State and local governments, the Board created under title III of this Act (or its successor), the tourism industry, or any of the Council's policy committees, together with a detailed statement of any actions taken or anticipated to be taken to resolve such problems; and

(4) recommendations for such legislative or administrative action as the Council considers appropriate.

AUTHORIZATIONS OF APPROPRIATIONS

SEC. 208. There is hereby authorized to be appropriated to carry out the provisions of this title $250,000 for the fiscal year ending September 30, 1981.

TITLE III—THE UNITED STATES TOURISM AND PLANNING IMPLEMENTATION BOARD

ESTABLISHMENT OF THE BOARD

SEC. 301. (a) ESTABLISHMENT.—(1) There is established, as an independent entity in the executive branch of the Federal Government, the United States Tourism Planning and Implementation Board (hereinafter in this title referred to as the "Board"). The Board shall consist of—

(A) seventeen voting members appointed in accordance with this section by the President, by and with the advice and consent of the Senate; and

(B) one nonvoting member, who shall be the Chairman of the National Tourism Policy Council established under title II of this Act.

(2) Not more than nine of the voting mem-

bers of the Board may be members of the same political party.

(3) The initial voting members of the Board shall be appointed by the President within sixty days after the date of enactment of this Act.

(b) MEMBERSHIP.—(1) The voting members of the Board shall be appointed as follows:

(A) The members shall be selected for appointment so as to provide as nearly as practicable a broad representation of different geographical regions within the United States and of the diverse and varied segments of the tourism industry.

(B) Fourteen of the members shall be appointed from among citizens of the United States who are senior executive officers of organizations engaged in the travel and tourism industry and who are not regular full-time employees of the United States. Of such members—

(i) at least one shall be a senior representative from a labor organization representing employees of the tourism industry; and

(ii) at least one shall be a representative of the States who is knowledgable of tourism promotion.

(C) Of the remaining three members of the Board—

(i) one member shall be a consumer advocate or ombudsman from the organized public interest community;

(ii) one member shall be an economist, statistician, or accountant; and

(iii) one member shall be an individual from the academic community who is knowledgeable in tourism, recreation, or national heritage conservation.

(c) EXPENSES.—Members of the Board shall serve without compensation, but shall be reimbursed for actual and necessary expenses, including travel expenses, incurred by them in carrying out the duties of the Board.

(d) STAFF.—The Board may appoint and fix the pay of such staff personnel as it considers appropriate. Such personnel may be appointed without regard to the provisions of title 5, United States Code, governing appointments in the competitive service, and may be paid without regard to the provisions of chapter 51 and subchapter III of chapter 53 of such title relating to classification and General Schedule pay rates, except that no individual so appointed may receive pay in excess of the annual rate of basic pay payable for GS–18 of the General Schedule.

PURPOSE OF THE BOARD

SEC. 302. (a) PLAN.—The Board shall develop a comprehensive and detailed marketing and implementation plan to stimulate and promote tourism to the United States by residents of foreign countries.

(b) DEVELOPMENT.—(1) In developing the plan required under subsection (a), the Board shall evaluate alternative means to stimulate and promote tourism to the United States by residents of foreign countries.

(2) The Board shall consider the creation of a private corporation, federally chartered corporation, or other entity for the promotion of tourism and shall consider the appropriateness of authorizing such an entity to exercise the following powers:

(A) The establishment of branch offices in foreign countries and offices to facilitate services at United States ports-of-entry.

(B) Consultation with foreign countries on travel and tourism matters and, in accordance with applicable law, representing United States travel and tourism interests in international meetings, conferences, and expositions.

(C) Participation as a party in interest in proceedings before Federal agencies when such participation is necessary to implement or further the national tourism policy set forth in title I of this Act.

(D) Monitoring the existing and proposed policies and programs of Federal departments and agencies that significantly affect tourism—

(i) for purposes of ascertaining whether, insofar as consistent with other public policy objectives, such policies and programs are in furtherance of the objectives of the national tourism policy, and

(ii) for purposes of ascertaining instances of interagency and intra-agency duplication or contradiction; and

reporting the results of its monitoring activities semiannually (or more frequently if necessary) to the appropriate departments and agencies and the Congress.

(E) Developing and administering a comprehensive program relating to consumer information, protection, and education; and

(F) Encouraging, to the maximum extent feasible, travel to and from the United States on United States carriers.

(3) The Board shall consider the development of new or expanded Federal programs for the promotion of tourism.

(c) PLAN REQUIREMENTS.—The plan required to be developed by the Board shall include recommendations for the following:

(1) A promotional program for enhancing and improving travel for tourism purposes to the United States by foreign visitors.

(2) The funding levels required to effectively implement such a program.

(3) If the plan recommends the creation of a private corporation, federally chartered corporation, or other entity—

(A) Recommendations for the most fair and practical means of providing funding from private as well as public sources for purposes of financing the activities of the entity;

(B) a statement of the administrative cost and budget projections for the first five-year period of operation of the entity; and

(C) Recommendations for personnel for the entity;

In formulating the recommendations under paragraph (3) respecting funding such an entity, the Board shall consider alternative means of funding the entity, including the feasibility of funding by means of an industry assessment, based on a percentage of gross revenues on private business organizations engaged in the tourism and recreation industry. In formulating the recommendations respecting personnel of the entity the Board shall consider the appropriateness of transferring present employees of the United States Travel Service to the entity. The Board shall also consider the various laws which would apply to the entity and its activities including tax and travel laws.

(d) REPORT AND CONGRESSIONAL APPROVAL.—(1) No later than October 1, 1981 the Board shall submit the plan required by subsection (a) to both Houses of the Congress and to the Committee on Interstate and Foreign Commerce of the House of Representatives and the Committee on Commerce Science and Transportation of the Senate.

(2)(A) Recommendations for legislation contained in the plan submitted under paragraph (1) of this subsection shall not be approved unless within sixty days of continuous session after the date of such submissions both Houses of the Congress adopt a concurrent resolution stating in substance that they approve such recommendations (in whole or in part) and stating an intent to consider legislation to implement such recommedations.

(B) For purposes of subparagraph (A)—

(i) continuity of session is broken only by an adjournment sine die; and

(ii) the days on which either House is not in session because of an adjournment of more than five days to a day certain are excluded in the computation of the sixty-day period.

(C) The procedures set forth in section 552 of the Energy Policy and Conservation Act (42 U.S.C. 6422) shall apply to any concurrent resolution of approval of a plan submitted to the Congress under this subsection.

(3) If recommendations contained in a plan submitted to Congress are not approved in accordance with this subsection the Board shall revise and resubmit another plan to the Congress not later than the expiration of six months after the date the recommendations in the previous plan were not approved.

ADMINISTRATIVE POWERS AND MISCELLANEOUS PROVISIONS

SEC. 303. (a) IN GENERAL.—Any federally chartered entity created pursuant to a plan of the Board approved under section 302 shall be subject to the requirements of this section.

(b) GENERAL POWERS.—The federally chartered entity shall have the usual powers conferred upon a nonprofit corporation by the District of Columbia Nonprofit Corporation Act to the extent that such powers are not inconsistent with this title. In addition, the federally chartered entity is authorized to—

(1) enter into such contracts, agreements, or other transactions as the entity considers appropriate, relying on competitive bidding to the maximum extent practicable;

(2) accept in the name of the entity, and employ or dispose of in furtherance of the purposes of this title, any money, or property, real, personal, or mixed, tangible or intangible, received by gift, devise, bequest, or otherwise;

(3) appoint such officers and employees as the entity considers necessary, and fix their compensation without regard to the provisions of chapter 51 and subchapter III of chapter 53 of title 5 of the United States Code, except that no officer or employee of the federally chartered entity may be compensated in excess of the rate of pay in effect from time to time for level I of the Executive Schedule under section 5312 of title 5 of the United States Code;

(4) obtain the services of experts and consultants without regard to section 3109 of title 5 of the United States Code, except that no such expert or consultant may be compensated at a rate of pay which exceeds the daily equivalent of rates in effect from time to time for positions in grade GS–18 of the General Schedule under section 5332 of title 5 of the United States Code;

(5) accept voluntary and uncompensated services of attorneys, consultants, and experts, notwithstanding any other provision of law;

(6) appoint, without compensation, such advisory committees as the entity considers appropriate; and

(7) accept and use with their consent, with or without reimbursement, such personnel, services, equipment, and facilities of departments and agencies of the Federal Government, State governments, or local political subdivisions thereof, as are necessary to conduct the activities of the entity efficiently.

(c) FEDERAL DEPARTMENT AND AGENCY ASSISTANCE.—Upon request of the chief executive officer of the federally chartered entity, each Federal department and agency shall—

(1) make its services, personnel, and facilities available, to the maximum extent practicable, to assist the federally chartered entity in the performance of its functions; and

(2) furnish the entity, subject to the provisions of applicable law, such information, suggestions, estimates, and statistics as the chief executive officer of the entity may request.

(d) PROHIBITED ACTIVITIES.—The federally chartered entity may not—

(1) provide or arrange for transportation or accommodations for persons traveling between other countries and the United States, or between points within the United States, in competition with business engaged in providing or arranging for such transportation or accommodations;

(2) operate industry trade shows or related activities within the United States or provide personnel or financial assistance for such trade shows or activities;

(3) engage in any activity in competition with any State or local government or any private entity;

(4) lend money to employees; or

(5) own stock in another corporation.

(e) STOCK.—The entity shall have no power to issue any shares of stock or to declare or pay any dividends.

(f) INCOME AND ASSETS.—The income and assets of the federally chartered entity shall not be used for any purpose other than carrying out the purposes of the entity, and no part of such income or assets shall inure to the benefit of any director, officer, employee, or any other individual except as salary or reasonable compensation for services.

(g) POLITICAL CONTRIBUTIONS.—The federally chartered entity may not contribute to or otherwise support any political party or candidate for elective public office.

(h) REPORT.—The federally chartered entity shall, no later than ninety days after the end of each fiscal year, submit an annual report for that fiscal year to the President and to the Congress. Each such report shall include a comprehensive and detailed report of the entity's operations, activities, financial condition, and accomplishments, and may include recommendations for such legislative and administrative action as the entity considers appropriate.

RECORDS AND AUDIT

SEC. 304. (a) IN GENERAL.—Any entity created pursuant to a plan of the Board approved under section 302 shall be subject to the requirements of this section.

(b) AUDITS.—The accounts of the entity shall be audited annually in accordance with generally accepted auditing standards by independent certified public accountants or independent licensed public accountants certified or licensed by a regulatory authority of a State. The audits shall be conducted at the place or places where accounts of the entity are normally kept. All books, accounts, financial records, reports, files, and all other papers, things, or property belonging to or in use by the entity and necessary to facilitate the audits shall be made available to the person conducting the audits, and full facilities for verifying transactions with the balances or securities held by depositories, fiscal agents, and custodians shall be afforded to such person.

(c) REPORTS.—The report of each such independent audit shall set forth the scope of the audit and shall include such statements as are necessary to present fairly the entity's assets and liabilities and surplus or deficit, with an analysis of the changes therein during the year, supplemented in reasonable detail by a statement of the sources and application of funds, together with the independent auditor's opinion of those statements.

(d) GAO AUDIT.—(1) The financial transactions of the entity for any fiscal year during which Federal funds are available to finance any portion of its operations may be audited by the Comptroller General of the United States in accordance with the principles and procedures applicable to commercial corporate transactions and under such rules and regulations as the Comptroller General may prescribe. Any such audit shall be conducted at the place or places where accounts of the entity are normally kept. The representatives of the Comptroller General shall have access to all books, accounts, records, reports, files, and all other papers, things, or property belonging to or in use by the entity pertaining to its financial transactions and necessary to facilitate the audit, and shall be afforded full facilities for verifying transactions with the balances of securities held by depositories, fiscal agents, and custodians. All such books, accounts, records, reports, files, papers, and property of the entity shall remain in the possession and custody of the entity.

(2) A report of each audit shall be made by the Comptroller General to the Congress. The report to the Congress shall contain such comments and information as the Comptroller General considers necessary to inform the Congress of the financial operations and condition of the entity, together with such recommendations with respect thereto as he considers appropriate. The report shall also show specifically any program, expenditure, or other financial transaction or undertaking observed in the course of the audit which, in the opinion of the Comptroller General, has been carried on or made without authority of law. A copy of each report shall be furnished to the President and to the entity at the time it is submitted to the Congress.

AUTHORIZATION OF APPROPRIATIONS

SEC. 305. (a) AUTHORIZATION.—There is authorized to be appropriated for the expenses of the Board under this title $450,000 for the fiscal year ending September 30, 1981.

(b) LIMITATION.—Nothing contained in this title shall be construed to commit the Federal Government to provide any sums for the payment of any obligation of the Board which exceeds amounts provided in advance in appropriation Acts.

TITLE IV—AMENDMENTS TO THE INTERNATIONAL TRAVEL ACT

REPORTING REQUIREMENTS

SEC. 401. The first sentence of section 4 of the International Travel Act of 1961 (22 U.S.C. 2124) is amended by inserting "on all matters concerning tourism and shall report to the Under Secretary for International Trade on those matters which involve both tourism and trade" immediately before the period.

AUTHORIZATION OF APPROPRIATIONS

SEC. 402. The first sentence of section 6 of the International Travel Act of 1961 (22 U.S.C. 2126) is amended—

(1) by striking out "and" immediately above "(8)"; and

(2) by inserting immediately before the period at the end thereof the following: "; and (9) $8,600,000 for the fiscal year ending September 30, 1981, of which not more than $100,000 shall be available to carry out section 5A of this Act".

FEDERAL ASSISTANCE FOR REGIONAL PROMOTION OF TOURISM

SEC. 403. The International Travel Act of 1961 (22 U.S.C. 2121 et seq.) is amended by inserting after section 5 the following new section:

"SEC. 5A. (a) The Secretary is authorized to provide financial assistance to a region of not less than two States or portions of two States to assist in the implementation of a regional tourism promotional and marketing program. Such assistance shall include, but need not be limited to (1) technical assistance for advancing the promotion of travel to such region by foreign visitors, (2) expert consultants, and (3) marketing and promotional assistance.

"(b) Any program carried out under this section shall serve as a demonstration project for future program development for regional tourism promotion.

"(c) An applicant for financial assistance under this section for a particular region must demonstrate to the Secretary that—

"(1) such region has in the past been an area that has attracted foreign visitors, but such visits have significantly decreased;

"(2) facilities are being developed or improved to reattract such foreign visitors;

"(3) a joint venture in such region will increase the travel to such region by foreign visitors;

"(4) such regional program will contribute to the economic well-being of the region;

"(5) such region is developing or has developed a regional transportation system that will enhance travel to the facilities and attractions within such region; and

"(6) a correlation exists between increased tourism to such region and the lowering of the unemployment rate in such region.".

TIME PERIOD FOR PERSONNEL REDUCTION

SEC. 404. Section 9 of the International Travel Act of 1961 (22 U.S.C. 2128) is amended by striking out "as of September 1, 1979, and thereafter," and inserting in lieu thereof "during the period beginning October 1, 1980, and ending September 30, 1981,".

Mr. FLORIO. Mr. Speaker, I yield 5 minutes to the gentleman from Nevada (Mr. SANTINI).

Mr. SANTINI. Mr. Speaker, I wish to share with the Members of the House my enthusiastic endorsement of this legislative proposal in my capacity as chairman of the Tourism and Travel Caucus, and in addition as an enthusiastic personal supporter of the tourism and travel industry. This legislation is an important and constructive advance in an area that has been long neglected in the legislative and executive bodies.

The elements of this legislative proposal include, first of all, in title I a policy endorsement of the importance of tourism and travel and the importance of coordination and cooperation with the Federal Government in working with this vital industry.

Title II creates a coordinating counsel that will attempt to expedite and facilitate decisionmaking among the 30-plus Government agencies that are presently making Federal decisions that impact on the tourism and travel industry in this country.

Title III sets up a commission to examine the nature of a quasi-private or governmental entity that will be working with the private sector to facilitate transmission of information and advance the tourism and travel concerns through this possible entity. I stress it does not create an entity but rather it creates a mechanism that this next year will look at what type of organization it should be, and that will return to this House and to the U.S. Senate with its recommendations. The Board that will conduct that study will be appointed by the President of the United States.

Title IV perpetuates in substance the existence of the USTS and dovetails it to the recommendation activities of the Commission under title III. I would ask for consideration by my House colleagues of some graphic information. First, consider chart No. 1. It clearly indicates travel-generated expenditures have rapidly grown from $50 billion in 1970 to $128 billion in 1978.

□ 1240

This is a growth rate of approximately 157 percent. The total Federal, State, and

local revenues generated by these activities is depicted in chart 2. Tax receipts have grown from $4.4 billion in 1970 to $17.1 billion in 1978, a 289-percent increase.

Employment, a vital question and subject matter of jobs associated with travel and tourism activities has skyrocketed. Chart 3 indicates it has increased from 3.5 million employed in 1970 to 6.3 million employed in 1978. Now at a time when our economy is staggered by the impact of recession, stagflation and whatever other kind of economic label wants to be tagged onto it, the jobs factor is perhaps one of the most critical contributions that is being made. In fact, I would invite the attention of the membership to chart 4 and the fact that in at least 40 States in the United States of America, tourism and travel is either the leading industry, is second or third. Most Members of this body will find their State and in many instances their congressional district identified as part of the important foundation of tourism and travel in this Nation.

Mr. Speaker, I think it is a revealing point of information about tourism and the travel industry, especially during a time of preoccupation or concern about the depraved old big corporations, that tournism and travel is 98 percent small business.

Mr. Speaker, I would observe on chart 5, one can clearly see Federal expenditures for promotion of travel and tourism in the United States of America with the United States as a travel destination for foreign travelers has decreased from 1979, from 13.5 million to 8.5 million. This is a significant expenditure decrease. I think it is most revealing that the United States of America on the comparison charts with other free world nations is at the tail end of the free world nations in executive recognition of the important contribution of foreign travelers to our U.S. shores and importance No. 2 of some participation, some contribution by the Federal Government in recognizing the enormous importance of this industry.

The SPEAKER pro tempore. The time of the gentleman has expired.

Mr. FLORIO. Mr. Speaker, I yield the gentleman from Nevada 1 additional minute.

Mr. SANTINI. Mr. Speaker, I think when we see, in chart 6, countries like Belgium, Ireland, and Spain with far less resources than the United States of America spend greater amounts than we do to promote their countries as attractive destinations for foreign travelers. Canada, culturally and geographically our closest neighbor, has been spending over twice as much as have we to stimulate foreign travel to Canada and the interesting thing is most of that foreign travel to Canada comes from the United States of America and by illustrative comparison Canada has 18 governmental entities in the United States of America to promote American dollar flow to Canada. We have 2½. One office is open part time. We have 2½ in Canada trying to get some Canadian travel and some Canadian economic stimulus in our country.

Mr. Speaker, I believe the time has come for the Federal Government to recognize the important role our tourism plays in our economy. I believe that the masterful efforts of the gentleman from New Jersey and the gentleman from Illinois in putting together a coordinated legislative effort that will accomplish that goal, are to be commended.

Mr. Speaker, I will repeat these vital facts and figures because their message is resounding.

H.R. 7321, the National Tourism Policy Act, is the travel and tourism legislation of the decade. It has been long needed, long studied and long awaited. It is a major step toward achieving proper recognition of the economic significance of travel and tourism by the Federal Government. It will finally commence the process of shaping the complicated, often confused and uncoordinated Federal policy into a coherent, meaningful, and effective plan of action. Further, this legislation commences the long, arduous process of determining how we can improve our country's program of promoting the United States as a destination for foreign travelers. This particular effort will greatly enhance our capability of attracting visitors to our shores who will spend money, stimulate the economy, and reduce our balance-of-trade deficit, all of which are very critically needed.

The true economic potential of the travel and tourism industry is unlimited. In fact, economists are projecting that by the year 2000, travel and tourism will be the largest industry in the world. By reviewing the most recent statistical facts one can readily appreciate: First, the significant contribution this segment of the industrial community has made to our economy; second, the tremendous potential it holds for the future if properly nurtured; and third, how little the Federal Government has done to insure this massive economic potential is realized. For example, as chart 1 clearly indicates, travel-generated expenditures have rapidly grown from $50 billion in 1970 to $128.5 billion in 1978. This is a growth rate of 157-percent increase. Total Federal, State, and local tax revenue generated by these activities is depicted in chart 2. Tax receipts have grown from $4.4 billion in 1970 to $17.1 billion in 1978. This is a 289-percent increase. Employment associated with travel and tourism activities has skyrocketed. Chart 3 indicates it has increased from 3.5 million employed in 1970 to 6.3 million employed in 1978. At a time when our economy is staggering, these 2.8 million new jobs as well as the future growth potential are of strategic importance.

Even though, as these figures indicate, travel and tourism has made a significant contribution to our economy, it has not been properly recognized by the various levels of government, especially the Federal Government. Simply because of its diffuse nature and lack of a strong centralized voice in Washington, D.C., it has been extremely difficult to achieve the proper recognition it well deserves. This does not discount the fact, however, that every city, county, and State in our country has significant travel and tourism activities, and in many cases, it is the centrix of their economic well-being.

In fact, in at least 40 of the 50 States (see chart 4) travel and tourism is either the first, second, or third largest industry. This fact speaks for itself. Another very revealing point of information about the travel and tourism industry, especially during these times of the large corporation, is that 98 percent of all the businesses composing this third largest industry in the United States are small businesses.

This has made it exceptionally difficult to achieve the recognition it has deserved because of the difficulty or organizing its many diverse, multidimensional groups of small businesses. However, since it is one of the last bastions of the small businessman, it is even more important to insure it remains strong and viable. With all of these facts in mind, one automatically asks the rhetorical question: "What has the Federal Government done to strengthen travel and tourism in America?"

The reply is a feeble, "Not anywhere near enough attention has been provided." For example, by reviewing chart 5, one can clearly see that Federal expenditures for the promotion of the United States as a travel destination for foreign travelers has been decreased since 1979 from $13.5 million to $8.5 million. This is a significant decrease of 37 percent.

The United States has some of the best attractions, the best travel facilities and the friendliest, most hospitable residents in the world, and yet we are making little or no effort to inform the rest of the world of just how attractive a foreign visitor destination the United States is. This points out a serious weakness in the Federal Government's efforts in the foreign promotion arena. This weakness can best be pointed out by reviewing chart 6. Even countries like Belgium, Ireland, and Spain with far less resources than the United States spend greater amounts than we do to promote their countries as attractive destinations for foreign travelers. Canada, culturally and geographically our closest neighbor, has been spending over twice as much as we have to attract foreign tourism. H.R. 7321 provides for a detailed examination to determine exactly how we should improve our promotion efforts, what it would cost to improve our efforts and how these costs should be financed.

The time has come for the Federal Government to properly recognize the important role travel and tourism plays in our economy. The time has come to attempt to gain a better understanding of the role tourism plays in the life of our Nation. The time has come to develop a realistic, but ambitious, vision of the future role that it might play in the future of our economic well-being. H.R. 7321 will allow us to proceed with these activities, and I encourage each of my colleagues to join with me in supporting this key piece of legislation.

Nevada travel and tourism fact sheet
(1976 data most recent available from U.S. travel data center)

Domestic travel expenditures	$1,330,400,000
Business receipts	$1,238,400,000
Travel generated employment	45,000
Percentage of total employment	16.2%
Travel generated payroll	$347,700,000
Travel generated taxes	$172,700,000

I thank the gentleman from New Jersey for yielding me time.

Mr. MADIGAN. Mr. Speaker, I yield 10 minutes to the gentleman from Texas (Mr. COLLINS).

Mr. COLLINS of Texas. Mr. Speaker, for many years I have found myself to be the opposition on this bill. It has been a losing cause because the people in the tourist industry have done an amazing job of stirring up support throughout the country.

However, this year; Mr. Speaker, I think it would do us well, with the tremendous spending overrun we have in the budget, with the tremendous overstaff we have in bureaucracy, with all of the mistakes we have made in Washington, to look back and ask ourselves, is this bill really necessary.

I want to go back and remind you of some of the history of this bill. When this bill came up last year—this goes back to a 1961 act and every year we have worked on it and every year we looked at it with misgivings, but last year we really did wonder about it because President Carter last year said, "Get rid of that agency, we don't need it."

The Assistant Secretary of Commerce downtown, this good lady said, "Get rid of this agency; we do not need it."

Mr. Speaker, I will tell you why they said that. When we checked to see what this particular agency was doing we see that they maintained six travel offices around the world. They had one in Canada, one in Mexico, one in Japan, one in West Germany, France, and the United Kingdom, and it was pretty hard in spite of all of these statistics on how much travel is coming, to show what this group had done. You could not put your finger on anything that they had accomplished.

Now, Mr. Speaker, after hearing from travel agencies from one end of Texas to the other, I know what this office has been doing. They have been contacting travel agencies in America to sell them on supporting this bill. They really do have broad base support. But these poor people out here in the travel business have not thought this thing through. They are going to rue the day that we developed a Federal agency to be a big brother to them. We have heard many people who in their innocence and in their ignorance, have invited the Federal Government to join them as a brother. I have never seen anyone who, as they look back on it, said, "That was a great day," but I have surely heard a lot of them who said, "Why did you give me the government as a partner?"

Mr. Speaker, let us look at what we are doing this year. This year, in starting in, we had a bill and in the very first part of the bill they hit what the secret is. They realized no one has been particularly excited about this international travel act they had, so instead of asking for a big increase, they simply asked to go from $8 million up to $8,600,000. However, they have the joker section in this first 10 or 15 pages. They begin by saying they are going to establish a national tourism policy. They are only asking for $250,000 and they are going to set it up with a bunch of Federal bureaucrats. In fact, it is all a bureaucrat plan. They go back and name how they choose them. They get them out of every Federal agency. The President names one, the Secretary of Commerce names one, Energy names one, State names one, Interior names one, Labor names one, Transportation names one. All these bureaucrats are going to get together down there in a big office and here is what they are going to do. They have listed all these findings and finally down here in No. 11 you get to the whole heart of it. They said, "It is in the best interest of the Nation and the tourism and recreation industries to proceed in an orderly fashion toward the development of a promotional program for advancing and enhancing tourism in the United States."

Mr. Speaker, what that means in plain language is, the Federal Government is going to coordinate and develop this program.

I am sure we all remember when we had poverty in this country. The President came in and said, "I am going to solve poverty. We are going to appoint a big poverty program for America."

We were all interested in ending poverty. So we developed this big poverty program for America. We had it 7 years and what happened? After 7 years we found out that 82 percent of the money went for salaries to the bureaucrats. Eighty-two percent went to the bureaucrats and in every city in America where we established a poverty program, we had more poverty. Every poverty agency grew in size because the bigger their staff, the higher classification and higher paid job.

Now, we have not gotten rid of it incidentally. We would remember we tried to get rid of the poverty program. All we did was just give names to the new agencies and every one of them was continued.

What you are going to find in this program to help tourism, you are going to find that you have developed the biggest group of bureaucrats that ever got assembled to travel and once more they are going to get free travel tickets to see the world.

Mr. Speaker, this program does not accomplish anything. We have a great tourism industry. We have a great tourism industry. As I heard the gentleman from Nevada speak, I was out there recently visiting in Nevada and I will tell you that is the best place to visit if you do not gamble. It is the biggest bargain in America because they give you good shows, they give you good food, they give you good hotels and if you do not gamble you have really got a bargain. But I want to tell the gentleman this, if they get any of this Federal money involved in trying to spend money advertising for people to go out to Las Vegas and they start advertising, "Go to Las Vegas" and "Go to Reno and enjoy yourself at those casinos," and Federal money is advertising it, you will have preachers from Midland, Tex., to Columbus, Ga., rising up every Sunday to preach about the evils of gambling. They will object to Federal tax money advertising a city that bases its tourism on gambling.

Mr. SANTINI. Mr. Speaker, will the gentleman yield?

Mr. COLLINS of Texas. I will be glad to yield to the gentleman from Nevada.

Mr. SANTINI. Mr. Speaker, although I appreciate the endorsement as a travel and tourism vista, I think the gentleman is something less than totally candid or accurate when he suggests that one dime of this authorization appropriation will have anything to do with stimulating direct tourism and travel to Nevada.

□ 1250

I know that my good friend sometimes gets rhetorically carried away with the enthusiasm of his argument and does not mean to mislead us, but the fact remains, the fact remains that this money is addressed to studying how—how we can deal as a government with the tourism and travel industry, as a $116 billion, $117 billion industry. It has nothing to do with promoting travel to Nevada or Las Vegas as it is presently written.

If the gentleman wishes to quarrel with the bill when it comes back to this House, at that point he should address it. I am absolutely convinced that Reno and Las Vegas will survive irrespective, and they have proved that. But, I think that there are many areas in this country, including some in Texas, which will not survive unless we as a government recognize the importance and contribution of that industry.

Mr. COLLINS of Texas. I might also remind the gentleman what the Government has done. He mentioned energy. When Congress started on our oil regulatory procedure on energy, the United States was importing $3 billion worth of oil per year. Thanks to the Government programs, the United States will be importing $80 billion worth of oil this year. If we want to see adverse results for tourism and travel, we have not experienced these yet, but what I am saying is, do not let that snake loose. Do not let Federal travel get started.

This Travel Council is the group that is supposed to plan how America is going to do it. I want to tell the Members what a great industry tourism is for America. I read where 19.8 million travelers came to the United States in 1978. This year, they expect nearly 22 million tourists to visit the United States. I have figures which say that we spent

$90 billion 2 years ago. I read—and I was just astounded—figures that say we are now spending $128 billion. This is big business, and it is good business.

I read where we are now involved in private industry, and I would just like to give the gentleman some examples. The last figures I had are for 1978. American Express spent $62 million; Greyhound spent $46 million; Eastern Airlines spent $35 million. They are really doing a job.

I met a gentleman from Florida. I think there is no more delightful place to visit than Florida, unless it is Las Vegas, which is the best bargain. In Florida, 32 million tourists visited Florida in one year. Tourism is good business. Why do we want to ruin it? Why do we want to get the Federal Government involved? Did you see the bill the other day for the Government to run hostels all over the country? We do not need Government hostels. Now travel agencies will spend their time filling out reports. You know how it is when the Federal Government gets involved. It takes six copies.

I just mentioned the oil business, and I will tell the Members what the Government requires in reports. I asked an oil company official how many reports they filled out. They filled out 456 different reports. Right now, they have not put this report plague on this private travel business. When we get bureaucrats involved, after we have formed this committee, they are not going to let this little agency die. They have $8 million, and 60 fellows paid to make a living. They want to keep it expanding. Think what they can do on advising. What have we got, 50 different departments of the Federal Government now in the travel business. They never coordinate, they always proliferate.

Remember when we started food stamps with just a little tiny amount of money? I mean a small amount of money, $30 million, I think. What are we up to now? We are up to $9 billion, with 20 million people on food stamps. When we turn the tiger loose in this deal, he never started out as a tiger; he comes in as a kitten. We have brought a little kitten in here and when we let it loose we are going to have a tiger.

In my city, we really do like conventions. We want tourists to come to our city, and if you will just give our city a chance to do it, we will bring them in. But, if you bring the Federal Government in with all its bureaucracy, duplication, paperwork and other confusion, you are going to ruin one of the greatest industries in America.

Congress is again interfering with our Nation's free enterprise system. This time we are calling on the overburdened taxpayer to subsidize the U.S. tourism industry. Tourism, the third largest industry in 46 States, has grown with the promotion of free enterprise, and will continue to do so. It is hard to believe that Congress would take more of the taxpayers' money to provide a service which the travel industry is so capably fulfilling.

In 1978, 19.8 million foreign travelers came to the United States which resulted in receipts of $8.4 billion. It has been estimated that 21.6 million people will visit our country in 1980, and will add $12 billion in receipts to our economy. This $12 billion represents receipts from only foreign visitors.

In 1977, the latest figures available for domestic travel expenditures, Americans spent $90.2 billion on domestic travel. This figure represents $35.9 billion spent for transportation; $13.1 billion for lodging; $26 billion for food; $7.5 billion for entertainment; and $7.5 billion for other incidental purposes. Included in this $35.9 billion for domestic transportation is $10.8 billion for automobile and truck transportation; $21 billion for airlines; $428 million for buses; $242 million for trains; and $3.4 billion for mixed mode and other transportation means.

It is estimated that Americans spent $130 billion on domestic travel in 1979. Domestic and foreign travel expenditure projections for 1979 represent 5.9 percent of the gross national product. This is ample proof of a thriving industry. In 1978, American Express spent $62 million of their annual budget on advertising; Greyhound Corp. spent $45.7 million on advertising and Eastern Airlines spent $34.8 million on advertising.

In 1978, over 32 million tourists visited Florida alone. They spent almost $13 billion which amounted to $399.60 per person. This represented a 10.9-percent increase over the number of tourists visiting Florida in 1977 and a 74-percent increase from 1970.

This act also creates two new Government bureaucracies and a Federal tourism policy to conduct an advertising program for the travel industry. The Senate version of this bill, S. 1097, would establish a federally chartered publicly funded corporation to promote tourism. Even though H.R. 7321 does not immediately establish this quasi-public corporation, it instructs a travel-industry controlled board to submit to Congress a plan of action that is heavily biased in favor of creating the corporation that is set forth in S. 1097.

We do not need Federal intervention into this healthy private industry. The tourism industry is fully capable of managing their own business. Free enterprise and competition, the founding principles of our Nation, has made the tourism industry strong. The Federal Government cannot promote competition nor a healthy economy. With 18 percent inflation and a $69 billion Federal deficit, Congress cannot give away the taxpayers' money to every private industry that asks for it. The American people are already paying 43 cents out of every dollar they earn in taxes. We cannot ask them to subsidize private business.

Mr. FLORIO. Mr. Speaker, I yield 2 minutes to the gentleman from California (Mr. COELHO).

Mr. COELHO. Mr. Speaker, first I want to compliment the gentleman from New Jersey, the gentleman from Nevada, the gentleman from Illinois, for the tremendous job they have done in bringing this bill forward and recognizing the tremendous concern that most of us in the Congress have for making sure that the tourist business is kept strong in this country.

Mr. Speaker, tourism is among the top 3 industries in 43 of the 50 States. This industry is very labor-intensive and is unique because it offers significant employment opportunities to women, the youth, and minorities. Federal, State, and local government should officially recognize tourism's contribution to our social and economic welfare. The Federal Government should be legislatively committed to assist efforts at implementing a national tourism policy.

Recent studies have shown over 100 Federal programs, administered by over 50 agencies, have a significant impact on the industry. The Federal agencies dealing with tourism policies and programs need to be responsive in their dealings with the tourism segments of the economy. However, the many tourism programs suffer from gross inefficiency and counterproductive efforts. Therefore, Mr. Speaker, I urge the establishment of a framework of cooperation among all levels of government and public and private organizations which deal with this industry. I strongly recommend passage of H.R. 7321.

Mr FLORIO. Mr Speaker, I yield 1 minute to the gentleman from Tennessee (Mr. BONER).

Mr. BONER of Tennessee. Mr. Speaker, I rise in support of H.R. 7321, the National Tourism Policy Act, because I believe the Federal Government has consistently denied travel and tourism a place in public policy planning commensurate with its importance to this Nation. Recent actions by the Federal Government reveal a pattern of insensitivity and lack of understanding for an industry that employs over 4 million American citizens, making it 1 of the 3 largest industries in 46 of the 50 States.

In Nashville, Tenn., the country music capital of the world, over 11 million people visited our city in 1978 for business or pleasure purposes. These 11 million people spent over $73 million which greatly enhanced the business community of Nashville as well as adding to the tax revenues of that city and the surrounding area. Twenty-five thousand people in the Nashville area are employed in tourism related jobs. Most of these jobs are considered "entry level" positions. In these times of rising unemployment, the tourism industry provides many jobs for women, youths and minorities in our Nation's workforce.

H.R. 7321 would coordinate much of the fragmented bureaucracy of the Federal Government which relates to travel and tourism. Currently, there are over 100 Federal programs and 50 Federal agencies involved in some way with tourism. No one entity coordinates these programs impacting this dynamic industry, which includes many small businesses. In fact 98 percent of all travel and tourism businesses are considered small businesses. I believe this legislation

is vitally needed as a practical way to bring cohesion to the extensive but fragmented, uncoordinated, and often inefficient Federal involvement in tourism.

Over the past 3½ decades tourism has become one of the fastest growing industries in the United States. Tourism now accounts for more than $115 billion annually in consumer expenditures. Yet, there continues to exist a need for a comprehensive national policy to promote tourism in the United States. I believe that it would be fully in the national interest for the Federal Government to do whatever it can to promote tourism in this country. A well coordinated tourism campaign would greatly improve our balance-of-payments deficit and create many new jobs for Americans who are currently out of work. It has never been any more economically beneficial for Europeans to travel to the United States as it is today.

The inflationary impact statement in the Commerce Committee report on this bill indicates that this legislation will not increase the impact of inflation on our Nation's economy. Rather, I believe this bill will be a great step in our efforts in fighting the rising rate of inflation by creating more jobs for the Nation's unemployed citizens. Increased expenditures by foreign and domestic tourists will also reduce the inflation which is hurting our economy today.

I am more concerned what will happen to the travel and tourism industry should this bill fail. Failure to pass this bill will result in the success of the Federal Government in sweeping the travel and tourism industry under the rug as it has done many times in the past. We cannot allow the Government to further turn its back on this important and vital American industry.

To remedy this denial by the Federal Government, our colleagues in the Senate have passed S. 1097 which is similar to the legislation that we have before us today. I firmly believe that H.R. 7321 would make the Government involvement in travel and tourism more effective and responsive to the needs of this important American industry. As a member of the steering committee of the Congressional Travel and Tourism Caucus, I encourage my colleageus to vote for this bill that incorporates a national statement of policy toward travel and tourism.

The question for us today is not what impact the passage of this bill will have on our Government, but rather what negative impact the failure to pass this legislation will have on our economy.

Mr. FLORIO. Mr. Speaker, I yield 1 minute to the gentlewoman from Maryland (Ms. MIKULSKI).

Ms. MIKULSKI. Mr. Speaker, I rise in support of the National Tourism Policy Act for several reasons. First, tourism is the fastest growing industry in the world, and it only makes sense that the United States of America be able to engage in tourism with a policy that is both comprehensive and effective. By endorsing this legislation, we lay the groundwork for generating more jobs in a new industrial area.

Bringing inbound tourists to the United States can only help with the balance of payments. But most of all our greatest tourist attraction is not only our big cities and our mountains of purple majesty, but it is our freedom. I feel that the more people who come to America and see what we are, what kind of people and country we are, it will only serve to help this country.

So, this legislation generates jobs, deals with the balance of payments, and makes friends for us around the world, and I cannot see how it can fail.

Mr. FLORIO. Mr. Speaker, I yield 1 minute to the gentleman from Hawaii (Mr. AKAKA).

Mr. AKAKA. Mr. Speaker, I rise in strong support of H.R. 7321, the National Tourism Policy Act. The importance of the tourism industry to our Nation and to Hawaii cannot be understated. Tourism is one of the largest industries in our Nation, yet the United States spends the least of any major nonsocialist country to promote foreign tourism—approximately 4 cents per capita. As a result of this limited spending, in 6 recent years the United States has run a balance-of-payments tourism deficit of $3 billion. This cannot and should not continue.

In my State of Hawaii, tourism is the largest industry, employing over 90,000 people and contributing over 30 percent of State and county tax revenues. The growth in the tourism industry since Hawaii's statehood has been tremendous. Since 1960, the annual rate of increase has averaged over 16 percent.

The Federal Government has been remiss in responding to the needs and concerns of the vital tourism industry. H.R. 7321 will insure that there is a coordinated Federal effort in dealing with tourism activities by developing a national tourism policy council. This council will be responsible for eliminating the policy conflicts and duplicative effort in the over 100 Federal programs and 50 Federal agencies which currently affect the tourism industry.

Mr. Speaker, H.R. 7321 is vital to the overall welfare and continued development of the tourism industry. I urge its immediate and overwhelming approval.

Mr. WEISS. Mr. Speaker, will the gentleman yield?

Mr. AKAKA. I yield to the gentleman from New York.

Mr. WEISS. Mr. Speaker, I appreciate the gentleman yielding to me, and I also want to associate myself with his remarks and commend this committee and its leadership for this really forward-looking legislation.

Mr. AKAKA. Mr. Speaker, I urge immediate passage of the bill.

□ 1300

Mr. FLORIO. Mr. Speaker, I yield 1 minute to the gentleman from Florida (Mr. FASCELL).

Mr. FASCELL. Mr. Speaker, I thank the distinguished subcommittee chairman, and I commend him for bringing this legislation out. I rise in strong support of the legislation.

I am delighted that the gentleman's amendments cleared up some of the reservations which had been expressed to me and which I might have had. As I understand it, the gentleman's amendments with respect to title III would eliminate any question that this legislation would mandate by action on a concurrent resolution the implementation of any plan which would be promulgated by the Board; am I correct?

Mr. FLORIO. Mr. Speaker, if the gentleman will yield, let me state that the gentleman is absolutely correct.

Mr. FASCELL. So if the Board would promulgate a plan, it would take additional legislation in order to implement it?

Mr. FLORIO. The gentleman is correct.

Mr. FASCELL. Mr. Speaker, I thank the gentleman very much. With those amendments, I do not see why any Member would vote against this bill.

Mr. MADIGAN. Mr. Speaker, I yield myself 4 minutes.

Mr. Speaker, I take this time for the purpose of respectfully responding to my colleague, the gentleman from Texas (Mr. COLLINS), who is also my colleague on the Committee on Interstate and Foreign Commerce. I simply wish to point out that while the gentleman may think that the tourism industry is better off without this bill, the tourism industry certainly does not join him in thinking that. They are in fact unanimously advocates of the proposal that the House has before it this afternoon.

Everyone in the tourism industry, from the people in the various service unions all the way to the major hotel chains and the major airline companies are supporting the bill we have before us this afternoon. So apparently they do not think it will wreak havoc upon the industry, as the gentleman from Texas has suggested.

I would just point out to the House, if I may, that while we had these six offices around the country at the time that the value of the pound went up in Great Britain and the value of the dollar went down in the United States, which was an ideal time for the U.S. Travel Service to begin to encourage travel to the United States on the part of the English people, our State Department was going to respond to that change in currency values by closing the office that we have in the United Kingdom, in London. I think that is just exactly the opposite of the sort of thing that we should have been doing.

This bill is a transitional kind of thing. It keeps these offices in business, it keeps this agency in business, and it charges them with some new responsibilities. Next year I hope we will come back here with a much better organization than we are presenting to the House today.

But I do want to make the point that the industry about which the gentleman from Texas (Mr. COLLINS) has expressed concern is unanimous in its support of the bill that we have before us this afternoon.

Mr. COLLINS of Texas. Mr. Speaker, will the gentleman yield?

Mr. MADIGAN. I am happy to yield to the gentleman from Texas.

Mr. COLLINS. I thank the gentleman for yielding.

The gentleman named many industry

spokesmen. I note the opposition of the congressional "watchdog" which is a group that represents the American people. These representatives are concerned with the competitive economy and interested in lowering taxes and less regulation for the rest of the country. They are also interested in ending this 18-percent inflation. These are the groups that represent American people, and they came out very strongly against this new bureaucracy.

Mr. MADIGAN. Mr. Speaker, I appreciate the gentleman's kind remarks.

Mr. Speaker, we regard this as being an investment. We believe that the money that is spent this way yields the Federal Government additional revenues above and beyond what is spent by the travel service.

There are charts that will demonstrate that that is already going on. The Department of Commerce has testified that that is already going on.

Every State that promotes travel acknowledges that by virtue of the expenditures they make, they gain additional tax revenues. That can and does happen in the United States as well, and we think this will make it even better.

Mr. PEYSER. Mr. Speaker, will the gentleman yield?

Mr. MADIGAN. I am happy to yield to the gentleman from New York.

Mr. PEYSER. Mr. Speaker, I thank the gentleman for yielding.

First of all, I want to compliment the Members who have been so actively involved in really leading the tourism caucus and also in getting this type of legislation before the House.

As far as New York is concerned, as I am sure the Members know, tourism is the No. 1 industry in the State of New York. Some people may think of New York in different terms, but a lot of people "love New York," and they go there. What happens in this whole legislative process and in the programs dealing with tourism is of vital importance to us, and I am very supportive of the efforts that are underway at this time.

Mr. Speaker, I am most appreciative of the work that has been done on this matter.

Mr. FLORIO. Mr. Speaker, I yield 1 minute to the gentleman from Montana (Mr. WILLIAMS).

Mr. WILLIAMS of Montana. Mr. Speaker, I want to thank the gentleman from West Virginia (Mr. STAGGERS) for the fine work he and his committee did on the National Tourism Policy Act, and for the hard work of the gentleman from New Jersey (Mr. FLORIO). I appreciate their dedication to this important issue and their recognition of the importance of tourism to the economy of the entire country.

Mr. Speaker, if I may borrow the words of the gentleman from West Virginia, I believe we have a chance to do something here that is truly "good for America." The National Tourism Policy Act is significant because it establishes a concrete tourism policy and provides for the establishment of the vital mechanisms necessary to implement that policy. This bill is important to my home State of Montana, where tourism is the second largest employer, and to the country, where tourism is among the three largest industries in all but a few States.

In my home State of Montana, as elsewhere, the tourism industry is in a period of volatility and transition. Let me provide an example: Glacier National Park and Yellowstone National Park are located either within or partially within the First Congressional District, which I represent. Last year tourist travel to those two national parks was down between 20 and 30 percent over previous years. However, the length of stay for each tourist did not decrease. In coming years, we are likely to see the length of stay increasing as people try to conserve energy and money by staying longer in one area.

One of the provisions with which I am most pleased provides for the coordination of the many Federal programs that affect tourism. For years the tourism industry has had to work with more than 100 Federal programs within 50 Federal agencies, most of which do not coordinate their work with one another. This wasteful and sometimes counterproductive practice must stop, and I believe it will if we pass this bill.

I would strongly urge my colleagues to support our House version of the National Tourism Policy Act, especially where it addresses establishment of a Board to implement the policy. Such a Board is necessary, but it is unclear as yet how the Board should be constituted and what its authority and funding should be. This bill takes the prudent and responsible step of suggesting several possibilities and empowering a planning board to study those options and make a recommendation.

A version under consideration by the Senate would immediately establish a Board to implement the tourism policy, but it would do so without answering any of the serious questions about the Board's composition, financing, or power. Also, the vital questions about how the Board's international activities would relate to our foreign policy would be left untouched.

I believe the House version is the more responsible of the two, and I urge my colleagues—those who like me are members of the U.S. Congressional Travel and Tourism Caucus and those who are not—to support this bill.

Thank you.

Mr. FLORIO. Mr. Speaker, I will conclude the debate by yielding 2 minutes to the majority leader, the gentleman from Texas (Mr. WRIGHT).

Mr. WRIGHT. Mr. Speaker, there is an old saying in Mexico: "Caminos traen riquezas, y caminos traen amigos." That means "Roads bring riches and roads bring friends."

There is not really any reason to think of tourism, as Americans so long thought of it, as a question primarily of outflow, because it is a question of income, as well. It ought to be a net gain to the United States rather than a net loss.

We do gain more for the small pittance we invest as a country to promote tourism than any other country on Earth. In the State of Texas alone tourism generates more than $6 billion in sales, and it employs more than 250,000 individuals. Many of these are individuals of semi-skilled or low-skilled attainments who very desperately need and can very greatly appreciate the work that tourism generates.

What is true in Texas is true throughout the Nation, of course. As has already been said, tourism represents the first, second, or third largest industry in 43 of our 50 States. Throughout the United States today it provides revenues exceeding some $128 billion, employing more than 6 million Americans.

Mr. SKELTON. Mr. Speaker, will the gentleman yield?

Mr. WRIGHT. Of course, I yield to my friend, the gentleman from Missouri.

Mr. SKELTON. Mr. Speaker, I wish to compliment the distinguished majority leader on his strong stand in favor of tourism.

As the gentleman knows, there are two ways by which we can directly affect the American dollar overseas. The one is by encouraging exports, and this is the second way, by encouraging tourism.

Mr. Speaker, whether people want to see the rolling hills of the Ozarks, that part of the country represented by the gentleman from Texas, New York, or Hawaii, this is an important bill for us, and it is an important source of income.

Mr. WRIGHT. Mr. Speaker, I thank the gentleman from Missouri (Mr. SKELTON).

Let me simply say in conclusion that this is a modest but important step. It surely should mean more friends for the United States as well as an improvement in our balance-of-payments position.

● Mr. VANDER JAGT. Mr. Speaker, I rise in support of H.R. 7321, the National Tourism Policy Act. This legislation is an important step in establishing the framework for a cooperative effort between industry, public, private, and governmental organizations at all levels to develop and implement a comprehensive national tourism policy.

The area of western Michigan that I am privileged to represent has a very large tourism industry which represents a substantial segment of our area's economy. Many of us from Michigan have long recognized the important role travel and tourism play in our economy—an industry second only to the automotive industry in terms of employment and income—with over $4 billion generated annually in retail sales.

I fully realize that we must take steps to insure that this important segment of our economy is not only sustained, but stimulated. In Michigan, a healthy travel and tourism industry is particularly important to offset cyclical downturns in other segments of the economy. As successful as the travel and tourism industry has been in Michigan, I feel that it could be expanded with proper promotion to potential overseas visitors and with improved consideration to the

needs of the industry by Government agencies.

H.R. 7321 is not a major step in terms of the magnitude of Federal dollars involved, but it is a significant start to formally recognize its importance and commence the process of coordinating over 100 Federal programs and 50 agency efforts which have an impact on travel and tourism in the United States.

Mr. Speaker, after 6 years of study as to how we should direct our efforts in this area, I am pleased that we have reached the final stretch and are about to do something constructive for the travel, tourism, and recreation industry.

Finally, in stating my support for this legislation, I want to commend my colleagues on the Congressional Travel and Tourism Caucus who have worked diligently to develop this declaration of national tourism policy. As one of the original members of the caucus, I particularly want to express my gratitude to Mr. SANTINI and Mr. BADHAM who, as chairman and vice chairman, respectively, have followed through on the top legislative priority of the caucus.

I urge my colleagues to support H.R. 7321.●

● Mr. NELSON. Mr. Speaker, the time seems right for a real recognition of the travel and tourism industry and of the impact of this vital industry on the social and economic fiber of the United States. Few people realize that this industry ranks as 1 of the top 3 in 43 of our States. Travel and tourism generate about $128 billion in revenue and about $16 billion in tax revenue to the various sectors of Government. The travel and tourism industry is a labor-intensive industry. Consequently, in this time of rising unemployment and declining productivity, it is important to construct a policy that would not negatively impact on those 6 million persons employed in this industry in the United States.

My own State of Florida is recognized as a major tourism State. Our travel businesses earned nearly $16 billion in 1979. In the same year, more than 533,000 people were employed in tourism-related industries to serve the 35 million visitors to Florida. In fact, Orlando, in my congressional district, is the No. 1 tourist destination in the United States.

As a member of the steering committee of the Congressional Travel and Tourism Caucus, I have been involved with the development of a national tourism policy. In March, we outlined the framework for a national policy and called for its implementation in this session of Congress.

On May 15, the House Interstate and Foreign Commerce Committee passed H.R. 7321, a bill which had the promotion of the United States as a travel destination for foreign visitors as its objective. A similar version of this has already passed the Senate. It is time for the House to pass this and to get on with the implementation.

There are four parts of this legislation. The first recognizes the importance of the travel and tourism industry to the economic welfare of the country and commits the Federal Government to assist and to encourage the industry's growth and development.

The second creates a Cabinet-level National Tourism Policy Council to coordinate the efforts of more than 100 Federal programs and 50 Federal agencies that impact on tourism-related activities.

The third title establishes the U.S. Tourism Planning and Implementation Board to develop a comprehensive, detailed marketing and implementation plan to stimulate and promote tourism to the United States by foreign visitors.

The fourth part of this bill extends the U.S. Travel Service through fiscal year 1981 and authorizes a regional tourism promotion and marketing program as a demonstration project for development of such programs in the future.

A national tourism policy is extremely important to the travel and tourism sector of our economy as well as to the economy as a whole. If the true economic potential of this sector is to be realized—and more importantly, if that economic potential is to be encouraged to assist our national economic structure—we must adopt a clear national policy. I wish to urge my colleagues to support this important legislation.●

● Mr. ROTH. Mr. Speaker, as a member of the House Tourism Caucus, I wish to add my strong support for the Tourism Policy Act which is before us today. I wish to commend my colleagues on the Interstate and Foreign Commerce Committee for their bipartisan support and especially to Congressman SANTINI and the other members of the House Tourism Caucus who are responsible for pushing this long overdue legislation to consideration by the full House.

The Tourism Policy Act is a result of many years of deliberation and study by the Congress. It is based on information and data received from numerous hearings and comprehensive studies. It is about time, Mr. Speaker, that the tourism industry be recognized for the significant role it plays in this Nation's economy. For example, most people do not realize that travel and tourism is this Nation's third largest industry, generating about 7 percent of this country's gross national product, and is directly responsible for providing approximately 6 million jobs.

It is also the third largest industry in my State of Wisconsin and our economy is largely dependent on it. Tourism generates almost $5 billion each year in sales through over 32,000 individual businesses in Wisconsin.

Over the past three and one-half decades the tourism industry has taken on many new dimensions. Largely as a result of the continuing growth of the U.S. economy; increased individual purchasing power, improved and more accessible transportation alternatives, and most importantly, an increase in available leisure time, it has become one of the fastest growing industries in the United States. It is long overdue that the documented importance of tourism to a healthy economy be recognized. Furthermore, the potential for additional jobs for the low- and under-skilled persons presently on unemployment rolls and for enlarging on the contribution of the tourism industry to the international balance of payments makes a joint and cooperative effort between the Federal Government and the private sector in the national interest.

This legislation will more clearly define the definitive partnership between the Federal Government and the private sector and result in an orderly, and effective tourism policy. Exensive Federal Government involvement can be found in all areas of tourism and tourism-related activities. That involvement, however, has been disjointed and continues to lack cohesiveness in the formulation of tourism policies by the various Federal departments or agencies. A clearly enunciated Federal tourism policy, defining goals of Government in advancing and promoting tourism is noticeably absent. For example, in 1970, 89 programs in 10 executive departments and 46 programs in 36 independent agencies were involved in tourism related activities. In 1973, another inventory described 115 programs in over 50 agencies that directly concerned tourism. Although the number varies, the fact remains that little or no communication or coordinating efforts took place among the various departments or agencies. As a result, programs aimed at enhancing tourism to the United States ranged from ineffective to moderately effective in terms of meeting appropriate national interests in tourism, and the needs of both the public and private sectors of the industry. Furthermore, little effort has been advanced on the part of the Federal Government to maximize the contributions that can be realized from a fully endorsed and supported tourism program based on adequate and sound market research.

This legislation articulates a national policy to promote tourism to the United States. It establishes an interagency council to monitor and coordinate Federal Government policy and programs that impact on tourism. The bill also establishes the U.S. Tourism Planning and Implementation Board to carry out the national tourism policy and a marketing program to further promote travel to this country to foreign visitors. The United States needs to set a new and vigorous course to encourage foreign tourists to visit this country and this bill does that for a very small amount of monev. Of the total sums authorized in this bill, approximately $8 million is for the reauthorization for the U.S. Travel Service, a branch of the Department of Commerce which operates overseas offices to provide information to foreign travelers. The Department of Commerce has said that for every budget dollar invested in encouraging travel to the United States, we receive $18.6 million in foreign exchange earnings. This is certainly one of the best bargains available at the present time.

Again, Mr. Speaker, I am pleased that this legislation is before the House of Representatives today and encourage my colleagues to support it.●

● Mr. STAGGERS. Mr. Speaker, I am glad to support H.R. 7321, the National Tourism Policy Act. For many years our committee has given strong bipartisan support to the promotion of travel by

foreign residents in the United States. This international travel strengthens cultural understanding between different nations. Equally important, inbound tourists bring needed foreign exchange earnings to the United States. These help reduce our balance-of-payment deficit in the travel account. Moreover, a strong U.S. tourism industry provides essential jobs, over 6 million jobs, for the unskilled, the minorities, women, and youth.

However, our committee has also been disappointed with the lack of support given the tourism program by both Democratic and Republican administrations, since the program was enacted in 1961. Funding has been low; the U.S. Travel Service in the Department of Commerce has not always used these funds wisely. The program has been poorly administered.

The bill before us, H.R. 7321, addresses these problems. First, a new statement of our national tourism policy is set forth. Second, a Cabinet-level coordinating council, including the Departments of Energy, Labor, Commerce, and Transportation, is directed to monitor tourism programs scattered in almost 50 agencies. The council's goals are to coordinate these policies and to prevent conflicts whenever possible. Third, a U.S. Travel and Tourism Planning and Implementing Board is established. This Board will report to Congress, no later than October 1981, on the most efficient means to bring foreign visitors to this great country of ours. The Board will also recommend an entity to carry out a new tourism program. The entity may be a private corporation, a federally chartered corporation, or another type of entity. Meanwhile, the U.S. Travel Service is authorized to continue its activities, emphasizing the activities of the overseas offices which work with the travel trade groups in other countries to encourage foreign residents to visit the United States. The Washington, D.C., staff will continue at the reduced level established last year.

I commend the subcommittee chairman, JAMES J. FLORIO, and all the subcommittee members for their fine work on this bill.

Our committee has also had jurisdiction of our Nation's energy policies. As an example of the existing lack of policy coordination between departments, I am going to detail the inability of any administration since 1973 to reconcile our energy needs with the essential needs of the tourism industry. The tourism industry uses very little energy, employs over 6 million people, and provides an $18.60 return in foreign exchange earnings for every Federal dollar spent.

Lack of a national tourism policy is largely responsible for the Federal Government's myopic attitude toward an industry which contributes over $130 billion to the economy and employs over 6 million people. The Government has not only ignored the industry, it has taken several ill-advised actions which have threatened to cripple it, and have, in fact, caused severe economic dislocation. The most serious case in point is energy. Briefly I would like to recount how the Federal Government has reacted toward the travel industry in the 1973 energy crisis and the present one.

Gasoline shortages in various sections of the Nation during the summer of 1973 and the Arab oil embargo later that year prompted discussion of the possible necessity of rationing gasoline. While the administration did not implement rationing, it did call for voluntary conservation measures; that is, turning down thermostats during the winter season and Sunday closing of gasoline stations.

A gasoline rationing plan was initially developed in late 1973, and early 1974, by the Federal Energy Administration (FEA). As part of that plan, a substantial segment of the travel industry was initially categorized as "nonessential" for allocation purposes.

At congressional hearings, Discover America travel organizations testified that during the 4-month period from November 15, 1973, to March 15, 1974, because the energy crisis caused a reduction in the number of automobile tourists, an estimated $716.8 million in tourism expenditures was not realized; 179,000 jobs were placed in jeopardy; and 90,000 people were dropped from industry payrolls. Furthermore, those figures did not include losses of employment in air transport and other intercity passenger service segments of the industry.

The Air Line Pilots Association testified that between the time the fuel crisis was announced and the hearings, 2,000 pilots had been furloughed.

The Recreation Vehicle Council estimated the payroll cutbacks throughout its industry attributable to the energy crisis at $415 million.

Expert testimony also estimated that had Sunday closings remained in effect, had the actual gasoline shortages due to reduced allocation of fuel for automobile use continued, and if the fear and uncertainty concerning the availability of fuel and services along the highways continued, loss of tourism expenditures in excess of $2.8 billion would have occurred, and the employment of 716,000 people would have been affected.

Mr. Speaker, the following shows specifically what effect Sunday closings of gasoline stations had on one of our Nation's largest motel chains—Quality Inns—during the 1973–74 crisis.

QUALITY INNS-COLONY, WILLIAMSBURG, VA. (59 ROOMS)

Not open in January. Open one less day in February 1973 than in February 1974.

February 1973—gross room revenues—$5,744.

February 1974—gross room revenues—$1,990.

The gas situation has had a devastating effect on weekend business at this property. During the weekend of February 8–9, 1973, they rented 24 rooms. This same weekend in 1974, they rented nine rooms. During the Washington Birthday 3-day weekend 1973 (February 15–17) they rented 114 rooms. During this same weekend in 1974 they rented 23 rooms. During the weekend February 22–23, 1973, they rented 45 rooms. During this same weekend in 1974, they rented nine rooms. During the weekend of March 1–2, 1973, they rented 45 rooms. During the weekend of March 4–5, 1974, they rented seven rooms. As of March 3, 1973, they had already booked 33 rooms for Good Friday (Easter weekend). As of March 4, 1974, they have booked three rooms for Good Friday (Easter weekend).

QUALITY INN, CAYE CITY, KY. (101 ROOMS)

This motel historically is 85 percent transient business and 15 percent commercial.

January 1974—gross room revenues—26 percent less than January 1973.

February 1974—gross room revenues—41 percent less than February 1973.

Occupancy is off similarly. The Saturday-Sunday weekend business during the December 1973 to February 1974 time period had an occupancy of 11 percent, whereas the December 1972 to February 1973 time period had an occupancy of 45 percent. The dropoff in business here can be pinpointed directly to the gas shortage. The December 1973 to December 1972 time period was off by 24 percent.

RESTAURANT

December 1974 to December 1973—gross room revenues—off 18 percent.

January 1974 to January 1973—gross revenues—off 20 percent.

February 1974 to February 1973—gross room revenues—off 20 percent.

WORK FORCE

Previously employed six or seven maids—now employ three; previously employed laundry workers on a 6-day week, now they work a 3-day week; previously employed two front desk clerks in the morning and two in the evening. Now employ only one in the morning and one in the evening.

MAINTENANCE

Previously employed one full-time maintenance worker plus a helper. Now employ one part-time maintenance worker.

WAITRESSES

Previously based on three shifts, employed 18. Now employ 13.

KITCHEN ASSISTANTS

Previously employed three kitchen assistants. Now employ one.

MANAGERIAL TRAINEE

Previously employed a managerial trainee. This position has been eliminated.

QUALITY INN, HALL ORRS, ROCKY MOUNT, N.C. (52 ROOMS)

January 1973—gross room revenues—$20,776.

January 1974—gross room revenues—$14,372.

February 1973—gross room revenues—$20,274.

February 1974—gross room revenues—$10,962.

1973 calendar year room revenues—$240,000.

Projecting on the basis of the first two months of this year, the 1974 gross is $140,000. The voluntary Sunday closing of gas stations has effectively harmed their Friday, Saturday, and Sunday business. Before the closings, this motel's theory was that weekends would be off but that weekdays would be up, thereby having a normal effect.

On Friday, Saturday, and Sunday, this motel is averaging 10 rooms per night. Saturday was previously a 100-percent occupancy day. This was because Rocky Mount, North Carolina, is a natural midpoint. This is where I–95 terminates for people traveling from the metropolitan Washington, D.C., area to Florida. People would leave on Friday and would stop in Rocky Mount for their first night en route to Florida. Similarly, with people who were winding up their vacations in Florida and driving North, the same reasoning would apply.

WORK FORCE

Previously employed 13 hourly people on the motel payroll. They have had to terminate five; three maids, one housekeeper, and one laundry operator. Of the four maids remaining, whereas they used to be on a 40-hour week, they are now on a 35-hour week.

RESTAURANT

In the restaurant in this particular motel, their business is off 40 percent for January–February 1974, or $25,000. The restaurant was normally open, and had been for the last 20 years, 7 days a week for 6 a.m. to 9 p.m. Now the restaurant is closed each day from 2 p.m. to 5:30 p.m. They used to employ 17 full- and part-time people in the restaurant. They now employ seven.

KITCHEN STAFF

Previously employed eight employees. Now it totals three.

WAITRESSES

Previously employed 8 to 10, some part-time. They now have three full time.

Because of this situation, they have already applied for and have received a 6-month moratorium on mortgage payments from their local bank. All of their corporate assets—owned by a family corporation—which are readily converted to cash have been exhausted.

QUALITY INN, FLORENCE, S.C.

Approximately 90 percent of their business is transient tourist. This is an I–95 property.

January 1973—gross room revenues—$31,715.

January 1974—gross room revenues—$17,323.

February 1973—gross room revenues—$36,803.

February 1974—gross room revenues—$16,674.

January 1973—occupancy—64.6 percent.

January 1974—occupancy—39.2 percent.

February 1973—occupancy—85.8 percent.

February 1974—occupancy—42.7 percent.

December 1972—Saturday occupancy—75 percent.

December 1972—Sunday occupancy—46 percent.

December 1972—Monday occupancy—43 percent.

December 1973—Saturday occupancy—18 percent.

December 1973—Sunday occupancy—12 percent.

December 1973—Monday occupancy—22 percent.

January 1973—Saturday occupancy—79 percent.

January 1973—Sunday occupancy—54 percent.

January 1973—Monday occupancy—71 percent.

January 1974—Saturday occupancy—17 percent.

January 1974—Sunday occupancy—11 percent.

January 1974—Monday occupancy—44 percent.

February 1973—Saturady occupancy—98 percent.

February 1973—Sunday occupancy—76 percent.

February 1973—Monday occupancy—72 percent.

February 1974—Saturday occupancy—13 percent.

February 1974—Sunday occupancy—9 percent.

February 1974—Monday occupancy—37 percent.

One would think the Federal Government would have learned from the disastrous consequences during the 1973–74 crisis. Obviously it did not, as subsequent events demonstrated.

In December of 1975, Congress enacted the Energy Policy and Conservation Act. That act established broad authority for the President to submit contingency plans to Congress for energy conservation and gasoline rationing. It also prohibited the submission of any plan which imposed "an unreasonably disproportionate share of such burden on any specific class of industry, business, or commercial enterprise, or on any individual segment thereof." (42 U.S.C. 6391(b).)

In 1976 the FEA held hearings on a standby rationing plan. Among other things, those hearings addressed themselves to restrictions on weekend sales of gasoline as a conservation measure. Witnesses from various segments of the travel industry strongly opposed this measure.

On July 5, 1977, the President ordered his then special energy advisor James Schlesinger to prepare a comprehensive standby rationing plan.

A few months thereafter the Department of Energy (DOE) was created, and on January 17, 1978, the Journal of Commerce reported that the Department had drafted an emergency standby plan that was being circulated.

On June 28, 1978, a proposed rulemaking and notice of public hearings on the contingency standby gasoline rationing plan appeared in the Federal Register. Included in this plan was a conservation measure to restrict weekend sales of gasoline. The Economic Regulatory Administration within DOE held 3 days of public hearings on the proposed rationing plan in Washington on August 22, 23, and 24. Other hearings were also held throughout the United States. According to a spokesman for DOE no testimony was taken at these hearings on the issue of weekend closings because the 1976 hearing record was sufficient.

According to information furnished Congress by DOE, an interagency review of DOE's proposed rationing plan and conservation measures was conducted by the Office of Management and Budget (OMB) during the period of February 5–16, 1979. Toward the end of that period, OMB conducted a series of "decision meetings" with the affected agencies, and then submitted "decision memos" to the President.

On February 23, 1979, Research Planning Associates, Inc., of Cambridge, Mass., submitted a report DOE had requested on "possible means of regulating the retailing of motor gasoline to limit the length of queues during a shortage." That report concluded that "Reduced hours of station operation—including weekend closings—are counterproductive."

On March 1, however, the final rule for a standby gasoline rationing plan was submitted to Congress, and it included a restriction on weekend sales.

On April 12, 1979, at congressional hearings, 18 witnesses representing diverse segments of the travel and tourism industry testified on how contingency plan numbered one would impact the industry. All witnesses unequivocably opposed the plan. Testimony in support of the opposition showed that the plan would cost industry $17.34 billion in lost sales, 463,000 jobs in restaurant employment alone, and likely cause a decrease in the GNP of approximately $18 billion. That testimony showed that the DOE estimate of the economic dislocation plan numbered one would cause, was grossly underestimated, and in some cases in error.

In recommending plan numbered one, many members of Congress wondered how DOE could ignore the disastrous consequences to the travel industry of weekend closings in 1973–74; the prohibitions against discriminatory treatment in the Energy Policy and Conservation Act of 1975; the testimony at the DOE hearings in 1976; and finally the report of Research Planning Associates, Inc.

One also wonders about the precise role of OMB. To what extent did it influence the final plan, for example? Did OMB seek outside views before adopting its position? Further, what is the basis of OMB's expertise?

Concern should not be limited to the recommendation for weekend closings. It is far more fundamental, and goes to the decisional process which made such a recommendation possible.

I believe the following explanation may suggest the answer.

In the proces of preparing its final report on the National Tourism Policy Study, the Arthur D. Little study team met and interviewed Federal officials in the then FEA during the summer of 1977.

ADL rated the Energy Administration's programmatic impact on the tourism industry as "high"; the officials in the agency, however, assessed their agency's impact as "low." Both ADL and the agency officials agreed that travel and tourism was assigned a very "low" priority within the Energy Administration. The officials interviewed felt that

the agency's program mandate neither included nor supported travel and tourism goals and needs.

ADL found that the agency had a "poor" degree of coordination with other agencies on travel and tourism. The ADL report also found that the agency programs were "ineffective" in terms of meeting appropriate national interests in travel and tourism, and the needs of the industry. Finally and perhaps most discouraging, is that on the basis of its interviews the ADL study team found that officials in the Energy Administration were "unreceptive" to increased support for the goals and objectives of travel.

It should not therefore have come as a surprise that the DOE proposed weekend closings as a mandatory conservation measure without adequately considering the impact on the travel industry and even though these measures discriminate against the industry to the serious detriment of the Nation's economy.

Mr. Speaker, this is a case history of just one of numerous instances where the Federal Government has and continues to overlook the interests of an industry which is so vital to our economy.

This is why we need a national tourism policy.

Mr. Speaker, we do not need any increased Government regulation or interference. Nor do we need any substantially increased Federal expenditures. What we need is to make sense out of what we are now doing. In other words, a national tourism policy.

In my judgment, such a policy should be enacted into law so that the agencies of Government would be required to refletct its goals in their programs and policies.

Specifically, I believe such a policy should direct the Federal Government to:

First. Optimize the contribution of the travel, tourism and recreation industries to economic prosperity, full employment, and the international balance of payments of the Nation;

Second. Make the opportunity for and benefits of travel, tourism and recreation in the United States universally accessible to residents of the United States and foreign countries to insure that present and future generations be afforded adequate travel, tourism and recreation resources;

Third. Contribute to personal growth, health, education and intercultural appreciation of the geography, history and ethnicity of the United States;

Fourth. Encourage the free and welcome entry of individuals traveling to the United States in order to enhance international understanding and goodwill, consistent with immigration laws, the laws protecting the public health and laws governing the importation of goods into the United States;

Fifth. Eliminate unnecessary trade barriers to the United States travel and tourism industry operating throughout the world;

Sixth. Encourage competition in the travel and tourism industry and maximum consumer choice through the continued viability of the retail travel agent industry and the independent tour operator industry;

Seventh. Promote the continued development and availability of alternative personal payment mechanisms which facilitate national and international travel;

Eighth. Promote quality, integrity and reliability in all tourism and tourism-related services offered to visitors to the United States;

Ninth. Preserve the historical and cultural foundations of the Nation as a living part of community life and development and to insure future generations an opportunity to appreciate and enjoy the rich heritage of the Nation;

Tenth. Insure the compatibility of tourism and recreation with other national interests in energy development and conservation, environmental protection and the judicious use of natural resources;

Eleventh. Assist in the collection, analysis and dissemination of data which accurately measure the economic and social impact of tourism to and in the United States, in order to facilitate planning in the public and private sector; and

Twelfth. Harmonize, to the maximum extent possible, all Federal activities in support of travel, tourism and recreation with the needs of the general public and the States, territories, local governments, and the private and public sectors of the travel, tourism and recreation industry, and to give leadership to all concerned with travl, tourism, recreation and national heritage preservation in the United States.●

● Mr. HARRIS. Mr. Speaker, I rise in support of H.R. 7321, the National Tourism Policy Act. Tourism bears a significant impact on the national economy. In Virginia, tourism is the second largest industry. In 1979, travelers spent an estimated $2.6 billion; 84,200 jobs were directly generated by travelers' spending. State and local governments in Virginia collected $152 million in taxes from travelers.

Certainly Virginia is not alone in the success and achievement of its travel and tourism industry. In almost every State, tourism has proven itself as a most vital industry. Yet historically, the Federal Government has failed to recognize the needs of tourism and travel. Our commitment to the needs and promotion of tourism has been half-hearted, disorganized, and sporadic. The Federal Government has yet to establish a clear-cut definition of the Government's role in promoting tourism in the United States.

In many nations, tourism is aggressively promoted by the government, and it shows in the percentage of the international tourism trade these countries receive. The U.S. share of international tourism dollars has consistently decreased over recent years.

Tourism deserves across-the-board support as a vital concern to all corners of the country. The National Tourism Policy Act strengthens our commitment to tourism and travel. H.R. 7321 would establish a National Tourism Policy Council to coordinate and monitor the various tourism-related programs and policies. It would create a U.S. Tourism Planning and Implementation Board to develop an extensive marketing and implementation plan for encouraging and promoting travel to the United States. It provides for the reauthorization of the U.S. Travel Service, a branch of the Department of Commerce which has demonstrated its effectiveness in promoting inbound travel.

We have waited too long for a creative effort in producing a national tourism policy. It is time to recognize the importance of the travel and tourism industry to every State, to every city, to every community. Our responsibility lies in its promotion through positive action.●

● Mr. HEFTEL. Mr. Speaker, I rise in support of H.R. 7321, the National Tourism Policy Act.

Travel and tourism is the Nation's third largest industry, accounting for $115 billion annually in consumer expenditures. The International Travel Act, enacted in 1961, was created to promote U.S. tourism. One year later, the U.S. Travel Service was created. Even with these efforts, we are, almost 20 years later, without a sufficient national tourism policy.

The purpose of this legislation before us today is to develop a coordinated Federal policy on tourism, and to encourage cooperation between the Federal Government and the private sector in the promotion of tourism. It is especially important that we note the economic significance of this proposal. If a plan is developed and implemented to help tourism, we, as a nation, stand to improve our balance of payments as the number of foreign travelers to the United States increases. This is not to mention the improvement of the overall strength of our economy, as jobs, including low-skilled jobs, increase substantially.

Over 98 percent of all travel and tourism businesses are small businesses, employing over 6 million people. It is in our national interest to promote tourism and a national tourism policy, and I urge my colleagues to vote in support of this measure.●

● Mr. RUSSO. Mr. Speaker, I would like to express my strong support for H.R. 7321, the National Tourism Policy Act. Many, including myself, have long held the view that the Nation's tourism industry is among the most significant economic and social forces in the United States. Yet, up to now, the Federal Government's record in responding to this vital industry has been woefully inadequate and incoherent.

Perhaps few realize that tourism generates about 7 percent of the country's gross national product, making it the third largest industry behind food and construction, and the fourth largest export industry. In 1976, in Illinois alone, travel generated $954 million in salaries and $539 million in taxes. Nationwide, in 1976, the industry generated over $8 billion in Federal taxes, surpassing Federal outlays for revenue sharing and general fiscal assistance programs for State and local governments.

As our Nation's unemployment rate continues to climb, and as the health of certain industries, particularly steel and automotive, further erodes, tourism stands out as being one of the fastest growing industries. Between 1972 and 1976, it expanded by 58 percent and this trend continues. Today, the tourism industry accounts for the employment of over 6 million people.

Many of us are convinced that the tourism industry can make an even greater contribution to the Nation's economy if its potential is recognized and appropriately supported by the Federal Government. There are now over 100 Federal programs and 50 Federal agencies involved in some way with tourism. But no one entity coordinates their complex and often overlapping efforts. We need to develop and implement a coherent national tourism policy. H.R. 7321 provides a framework by which this can be done.

Mr. Speaker, this legislation does not call for increased Government regulation or interference. Nor does it require substantially increased Federal expenditures. Actually, the money spent on this legislation will be returned to the Federal Treasury many times over. Last year, during Commerce Committee hearings, I asked a Commerce Department spokesperson about the rate of return on the funds spent by the U.S. Travel Service for overseas promotion of the tourism industry. I was surprised to learn that this rate of return was as great as 18.6 to 1. Imagine, for a tiny fraction of what it costs to produce one B–1 bomber, we can generate millions of dollars in Federal revenues and at the same time boost international appreciation of the United States, increase productivity and promote millions of jobs.

By passing H.R. 7321, we can optimize the contribution made by the tourism industry to the economic prosperity, full employment and international balance of payments of the Nation. This is an opportunity we cannot afford to overlook. I therefore urge my colleagues to cast their vote in favor of this highly important legislation.●

● Mr. MARKS. Mr. Speaker, I rise to support a valuable legislative initiative—H.R. 7321—which for the first time would establish a national tourism policy. The bill would also allow for a Cabinet-level coordinating council, and a board to formulate and implement a marketing plan to promote travel to the United States by foreign visitors.

The significance of this legislation is long term and particularly important to the continued economic growth and well-being of our country, to the State of Pennsylvania, and northwestern Pennsylvania. I believe the issue of tourism in America requires substantial attention by Congress, not only because leisure time and travel are important to all Americans, but because the tourism and travel industry represents a highly labor-intensive source of employment for more than 6 million Americans.

The tourism industry is presently the third largest industry in the United States and is responsible for generating more than 7 percent of our country's gross national product. The industry also provides numerous alternatives for diversifying the economic base of any State or community. Tourism provides additional tax revenues; has the ability to enable areas to improve their overall economy through a noncapital intensive industry; and provides additional less identifiable benefits, such as work opportunities for American youth, and the creation of better communities in which to live and work. For these reasons, Mr. Speaker, I believe there is a pressing need to establish a coherent tourism policy in order to promote throughout the world the benefits of traveling to the United States. The international marketing potential of American tourism is yet to be fully realized.

As a charter member of the recently formed Congressional Tourism Caucus, I have become acutely aware of the views expressed by members of this important industry. I believe their comments reflect an earnest desire to cooperate with the Congress and the administration in the areas of energy conservation, inflation control, and the development of foreign trade in our country.

The caucus has already been instrumental in improving the avenues of communication concerning tourism vis-a-vis the administration, the Department of Commerce, and the Department of Energy. The caucus urged that the Department of Energy appoint an individual to serve as a liaison between the Department and the caucus. Secretary Duncan has recognized the need for the Department of Energy to work closely with the caucus and tourism industry in order to help provide oil dependent business sectors, such as the tourism industry, with adequate fuel supplies.

In addition, the Secretary of Commerce informed the caucus and members of the tourism industry that the Department would be increasing its international promotion program for tourism in America. Secretary Klutznick emphasized that the proposed move of the U.S. Travel Service to the Office of International Trade Administration would represent a promotion of tourism affairs by the administration. This clearly shows that the Federal Government is becoming increasingly aware of how policy activities are affecting the tourism industry.

It is obvious, Mr. Speaker, that the formation of a Cabinet-level council would place the tourism industry even more squarely in the middle of Federal policymaking than has already been achieved. Just as other industries have been recognized by the administration for their role in promoting America's economic growth, so should the activities and potential tourism be recognized.

I urge my colleagues to keep in mind that tourism is a highly marketable trade. Title III of the legislation calls for the formulation of a marketing plan as a major step toward increasing our Nation's role in world trade. The Tourism Planning and Implementation Board would be appointed by the President, and would be composed of members of the tourism industry and the Federal Government. The Board would seek to move as rapidly as possible in taking advantage of America's competitive nature with other countries. There is a pressing need to involve experts in the field of tourism who can establish a successful foreign promotion plan. The bill calls for a permanent mechanism to carry out this plan. America cannot afford to sit back and neglect the promotion of our most marketable resource—the American people and the beauty of America's natural splendor.

Mr. Speaker, I am convinced that this legislation is a major step toward new avenues of trade and economic growth, not only for our country but for the communities which have much to offer in the way of leisure and travel opportunities. I believe that the 24th District of Pennsylvania—as well as the entire Commonwealth—will be among the areas to benefit from an increased tourist trade. Congress should see this legislation as a formal invitation to the world to visit and travel in the country which I believe has as much to offer international travelers as any country in the world: the United States. Congress must also be willing to commit itself to move aggressively toward promoting American tourism and travel, and this bill provides that vehicle. I urge my colleagues to support it.●

● Mr. LEE. Mr. Speaker, H.R. 7321 represents America's first comprehensive approach to serving the tourism industry. Tourism has in the past often been ignored, and at times seriously harmed by decisions in other policy areas, as in energy policy. It was to a large extent the energy shortages of the summer of 1979 that devastated the tourist industry in our Finger Lakes resort area of upstate New York. We think this bill will not only give tourism a higher profile in times of emergency, but will begin fitting it into each and every related policy coming from Congress and the executive branch.

It is easy to consider the many aspects of tourism separately: hotels and motels, transportation, right down to souvenir shops. But the simple fact is that each of these enterprises is undeniably linked to one another, and tied to national energy and economic policies by an often-fragile thread. Taken as a whole, the tourism industry in America is surpassed in the size of consumer expenditures it creates only by grocery and automotive sales. Tourism accounted for $128 billion in our economy last year. The tourism industry generated some $16.8 billion in taxes and provided well over 65 million jobs in this country. In my own State of New York alone, for 1977—the last year for which we have statistics—sales for hotel and motel accommodations and campground reservations were at $1.295 billion; sales for eating and drinking were at $4.953 billion; and total sales for amusement and recreation services were at $1.854 billion.

One of the most dramatic innovations in the National Tourism Policy Act before us today is the creation of an independent unit within the executive branch of the Government, the National Tourism Policy Council. The Council and its staff will be made responsible for moni-

toring virtually every major governmental policy initiative for potential impact on tourism. The Council is, to my way of thinking, an alltime bargain, considering the returns.

The bill also establishes the U.S. Tourism Planning and Implementing Board with a mandate to develop a comprehensive and detailed marketing and implementation plan to stimulate and promote tourism to the United States by residents of foreign countries. I consider this a positive action in today's environment where our balance of payments is so greatly in need of a positive cash flow. It is about time we move to recapture some of the vast amount of money American tourists have spent abroad in years past. The Commerce Department has said that for every dollar invested in encouraging travel to the United States, we receive $18.6 million in foreign exchange earnings. That would be a healthy stimulus to the economy in these rather difficult times.

I urge the adoption of this bill.●

● Mr. FITHIAN. Mr. Speaker, I strongly support H.R. 7321, the National Tourism Policy Act.

As 1 of the top 3 industries in 43 of our 50 States, I believe it is time we consider seriously the effects of tourism on our employment and overall economic situation.

Currently there are over 100 Federal programs and 50 Federal agencies involved in some way with tourism. But there exists no comprehensive governmental unit to effectively handle and coordinate tourism on the national level. This bill creates a council to do this.

H.R. 7321 unites several executive-level departments including Commerce, Energy, State, Interior, Labor, and Transportation in a cooperative effort with local governments to formulate and implement a national tourism policy. It would promote a program to further enhance travel to the United States by foreign visitors. The Tourism Council would monitor the policies and program efforts of Federal agencies having an impact on tourism, recreation, and national heritage. and develop methods of resolving interagency policy conflicts. The Council would also organize forums to encourage interagency programs and discussions, and identify conflicts that might retard the orderly growth and development of tourism.

The tourism industry annually produces over $128 billion in revenue, $16 billion in taxes, and provides employment for 6 million Americans. We should not pass up the opportunity to take advantage of this great resource.

As a great nation endowed with a number of natural wonders, we have a lot to offer. Our national and State park systems boast some of the world's finest beauty and grandeur. Within my congressional district I am fortunate enough to represent one of these fine areas. the Indiana Dunes National Lakeshore Park. The dunes includes some of the finest white sand beaches along Lake Michigan. There are miles of hiking trails and picnic, fishing, and boating facilities. Last year over 1½ million people visited the park. This year visitation is expected to almost double—and yet there is more potential.

International tourism is one of the world's major growth industries, yet the United States currently attracts less than 8 percent of the international tourist market. Good consolidation and coordination of these programs would assist in the promotion of the United States as a popular tourist destination for travelers from overseas and here in our country. This legislation does just that, by stimulating the tourism industry and more efficiently utilizing our Nation's network of parks, campgrounds, hotels, and the like.

I urge your support of H.R. 7321 because it will benefit our current economic situation and relieve unemployment. The net result will put America back on top as the country everyone in the world will want to visit.●

● Mr. LOTT. Mr. Speaker, I rise today in support of H.R. 7321 because it addresses an area which I believe has for too long been neglected or at least poorly coordinated by the Federal Government. The United States does less than any other major nonsocialist nation to attract foreign tourists. As a result of this failure on the part of our Government, we have run huge deficits in our tourism balance of payments in recent years.

The tourism industry is one of the major employers in the United States, involving some 7 percent of the total work force. Increased foreign travel to America will help create jobs, particularly for those underskilled persons who presently comprise a large segment of the unemployed. This will of course have the additional effect of reducing welfare expenditures while increasing tax receipts.

The question today is not whether the Government is going to embark on a new course of involvement in the tourism business. Through an excess of Federal programs—some 115 in 50 different agencies in 1973—the Government is already involved in activities of the type provided for in this bill. The real issue before us is whether there is going to be any coordination of these programs in order to bring a degree of order and efficiency to our efforts.

There is an additional aspect to this legislation which I find encouraging. The agency envisioned in the act will be financed in part through contributions from the private sector. While I believe this program will prove beneficial to the Nation as a whole, I think it is only fair that the cost be shared by the tourism industry, which stands to gain the most from its implementation.

In summary, Mr. Speaker, with its positive results in terms of jobs creation, improved balance of payments, and economic development, this program should pay for itself many times over.●

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from New Jersey (Mr. FLORIO) that the House suspend the rules and pass the bill, H.R. 7321, as amended.

The question was taken.

Mr. COLLINS of Texas. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The SPEAKER pro tempore. Pursuant to the provisions of clause 3 of rule XXVII and the Chair's prior announcement, further proceedings on this motion will be postponed.

□ 1310

EARTHQUAKE HAZARD REDUCTION ACT AMENDMENTS

Mr. BROWN of California. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 7114) to amend the Earthquake Hazards Reduction Act of 1977 and the Federal Fire Prevention and Control Act of 1974 to authorize the appropriation of funds to the Director of the Federal Emergency Management Agency to carry out the earthquake hazards reduction program and the fire prevention and control program, and for other purposes.

The Clerk read as follows:

H.R. 7114

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

TITLE I—EARTHQUAKE HAZARDS REDUCTION PROGRAM

SEC. 101. (a) Paragraphs (1) through (3) of section 5(a) of the Earthquake Hazards Reduction Act of 1977 (42 U.S.C. 7704(a)) are amended to read as follows:

"(1) be designed and administered to achieve the objectives set forth in subsection (c);

"(2) involve, where appropriate, each of the agencies listed in subsection (d) and the non-Federal participation specified in subsection (h); and

"(3) include each of the elements described in subsections (e) and (f) and the assistance to the States specified in subsection (g).".

(b) Section 5(b) of the Earthquake Hazards Reduction Act of 1977 (42 U.S.C. 7704 (b)) is amended to read as follows:

"(b) DUTIES.—

"(1) The President shall—

"(A) assign and specify the role and responsibility of each appropriate Federal department, agency, and entity with respect to each object and element of the program; and

"(B) establish goals, priorities, budgets, and target dates for implementation of the program.

"(2) The Federal Emergency Management Agency (hereinafter referred to as the 'Agency') is designated as the agency with the primary responsibilities to conduct and coordinate the National Earthquake Hazards Reduction Program. The Director of the Agency (hereinafter referred to as the 'Director') shall—

"(A) recommend to the President the role and responsibility of each appropriate Federal department, agency, and entity with respect to each object and element of the program;

"(B) recommend to the President goals, priorities, budgets, and target dates for implementation of the program;

"(C) provide a method for cooperation and coordination with, and assistance (to the extent of available resources) to, interested governmental entities in all States, particularly those containing areas of high or moderate seismic risk;

"(D) provide for qualified and sufficient staffing for the program and its components;

"(E) compile and maintain a written program plan for the program specified in subsections (a), (e), (f), and (g), which plan will recommend base and incremental budget options for the agencies to carry out the elements and programs specified through at least 1985, and which plan shall be com-

pleted by September 30, 1981, and transmitted to the Congress and shall be updated annually; and

"(F) recommend appropriate roles for State and local units of government, individuals, and private organizations.".

(c) Section 5(d) of such Act is amended by striking out "(3)(B)" and inserting in lieu thereof "(1)(A)", by striking out "National Bureau of Standards" and inserting in lieu thereof "Department of Commerce", and by striking out "National Fire Prevention and Control Administration" and inserting in lieu thereof "Federal Emergency Management Agency".

(d) Section 5(e)(6) of such Act is amended by striking out "political" and by inserting in lieu thereof "potential".

(e)(1) That portion of section 5(f) of such Act which precedes paragraph (1) thereof is amended to read as follows:

"(f) MITIGATION ELEMENTS.—The mitigation of elements of the program shall provide for—".

(2) Paragraph (1) of section 5(f) of such Act is amended to read as follows:

"(1) ISSUANCE OF EARTHQUAKE PREDICTIONS.—The Director of the United States Geological Survey is hereby given the authority, after notification of the Director, to issue an earthquake prediction or other earthquake advisory as he deems necessary. For the purposes of evaluating a prediction, the National Earthquake Prediction Evaluation Council shall be exempt from the requirements of section 10(a)(2) of the Federal Advisory Committee Act. The Director shall have responsibility to provide State and local officials and residents of an area for which a prediction has been made with recommendations of actions to be taken;".

(3)(A) Section 5(f) of such Act is amended by striking out "and" at the end of paragraph (5), by striking out the period at the end of paragraph (6) and inserting in lieu thereof a semicolon, and by inserting after paragraph (6) the following:

"(7) transmittal to Congress by the Director of an intraagency coordination plan for earthquake hazard mitigation and response within thirty days after enactment of this paragraph, which plan shall coordinate all of the directorates of the Agency; and

"(8) the development and implementation by the Director of a preparedness plan for response to earthquake predictions which includes the following items:

"(A) A prototype plan to be in place in one major metropolitan area by September 30, 1981.

"(B) An action plan to be completed for specific adaptations of the prototype plan to other high risk metropolitan areas by September 30, 1981.

"(C) These prediction response plans are to be integrated with preparedness response plans.

"(D) The plans shall include coordination with State and local governmental companion efforts.

"(E) The plans shall be updated as new, relevant information becomes available.".

(B) The last sentence of section 5(f) of such Act is repealed.

(f) Section 5 of such Act is amended by inserting at the end thereof the following:

"(i) STUDY.—Within one year after the date of enactment of this subsection, the Director shall conduct a study and prepare and transmit recommendations to Congress to amend the Disaster Relief Act of 1974 (42 U.S.C. 5121, et seq.) to include provisions for funding for the period of time following a validated earthquake prediction.".

SEC. 102. (a) Section 6 of the Earthquake Hazards Reduction Act of 1977 (42 U.S.C. 7705) is amended to read as follows:

"SEC. 6. ANNUAL REPORT.

"The President shall within ninety days after the end of each fiscal year, submit an annual report to the appropriate authorizing committees in the Congress describing the status of the program, and describing and evaluating progress achieved during the preceding fiscal year in reducing the risks of earthquake hazards. Each such report shall include a copy of the program plan described in section 5(b)(2)(E) and any recommendations for legislation and other action the President deems necessary and appropriate.".

SEC. 103. (a) Section 7(a) of such Act is amended by inserting "(1)" after "(a)" and by inserting at the end thereof the following:

"(2) There are authorized to be appropriated to the Director to carry out the provisions of sections 5 and 6 of this Act or the fiscal year ending September 30, 1981—

"(A) $1,000,000 for continuation of the Interagency Committee for Seismic Safety in Construction and the Building Seismic Safety Council programs,

"(B) $1,500,000 for plans and preparedness for earthquake disasters,

"(C) $500,000 for prediction response planning,

"(D) $600,000 for architectural and engineering planning and practice programs,

"(E) $1,000,000 for development and application of a public education program,

"(F) $3,000,000 for use by the National Science Foundation in addition to the amount authorized to be appropriated under subsection (c), which amount includes $2,400,000 for earthquake policy research and $600,000 or the strong ground motion element of the siting program, and

"(G) $1,000,000 for use by the Center for Building Technology, National Bureau of Standards in addition to the amount authorized to be appropriated under subsection (d) for earthquake activities in the Center.".

(b) Section 7(b) of such Act is amended by striking out "and" after "1979;" and by inserting "; and $32,484,000 for the fiscal year ending September 30, 1981" before the period at the end thereof.

(c) Section 7(c) of such Act is amended by striking out "and" after "1979;" and by inserting "; and $26,600,000 or the fiscal year ending September 30, 1981" before the period at the end thereof.

(d) Section 7 of such Act is amended by inserting at the end thereof the following:

"(d) NATIONAL BUREAU OF STANDARDS.—To enable the Bureau to carry out responsibilities that may be assigned to it under this Act, there are authorized to be appropriated $425,000 for the fiscal year ending September 30, 1981.".

SEC. 104. Funds may be transferred among the line items listed in the amendment made by section 103(a), but neither the total funds transferred from any line item nor the total funds transferred to any line item may exceed 10 per centum of the amount authorized for that line item in the amendment made by section 103(a) unless—

(1) thirty calendar days have passed after the Director or his designee has transmitted to the Speaker of the House of Representatives, to the President of the Senate, to the chairman of the Committee on Science and Technology of the House of Representatives, and to the chairman of the Committee on Commerce, Science, and Transportation of the Senate a written report containing a full and complete explanation of the transfer involved and the reason for it, or

(2) before the expiration of thirty calendar days both chairmen of the Committee on Science and Technology of the House and the Committee on Commerce, Science, and Transportation of the Senate have written to the Director to the effect that they have no objection to the proposed transfer.

TITLE II—FIRE PREVENTION AND CONTROL

SEC. 201. Section 17 of the Federal Fire Prevention and Control Act of 1974 (15 U.S.C. 2216) is amended by inserting at the end thereof the following:

"(c) There are authorized to be appropriated to carry out this Act, except as otherwise specifically provided with respect to the payment of claims under section 11 of this Act, an amount not to exceed $23,814,000 for the fiscal year ending September 30, 1981, which amount includes—

"(1) not less than $1,100,000 for the first year of a three-year concentrated demonstration program of fire prevention and control in two States with high fire death rates;

"(2) not less than $2,575,000 for rural fire prevention and control; and

"(3) not less than $4,255,000 for research and development for the activities under section 18 of this Act at the Fire Research Center of the National Bureau of Standards, of which not less than $250,000 shall be available for adjustments required by law in salaries, pay, retirement, and employee benefits.

The funds authorized in paragraph (3) shall be in addition to funds authorized in any other law for research and development at the Fire Research Center.".

SEC. 202. Section 16 of the Federal Fire Prevention and Control Act of 1974 (15 U.S.C. 2215) is amended by deleting the words: "June 30 of the year following the date of enactment of this Act and each year thereafter" from the first sentence and inserting in lieu thereof "ninety calendar days following the year ending September 30, 1980 and similarly each year thereafter"

TITLE III—MULTIHAZARD RESEARCH, PLANNING, AND MITIGATION

SEC. 301. It is recognized that natural and manmade hazards may not be independent of one another in any given disaster. Furthermore, planning for and responding to different hazards have certain common elements. To make maximum use of these commonalities, the Director of the Federal Emergency Management Agency (hereinafter referred to as the "Director") is authorized and directed to:

(1) initiate, within one year after the date of enactment of this Act, studies with the objective of defining and developing a multihazard research, planning, and implementation process within the Agency;

(2) develop, within one year after the date of enactment of this Act, in cooperation with State and local governments, prototypical multihazard mitigation projects which can be used to evaluate several approaches to the varying hazard mitigation needs of State and local governments and to assess the applicability of these prototypes to other jurisdictions with similar needs:

(3) investigate and evaluate, within one year after the date of enactment of this Act, the effectiveness of a range of incentives for hazard reductions that can be applied at the State and local government levels;

(4) prepare recommendations as to the need for legislation that will limit the legal liability of those third party persons or groups which are called upon to provide technical assistance and advice to public employees, including policemen, firemen, and transportation employees, who are generally the first to respond to a hazardous incident; which recommendations shall be provided to the appropriate committees of Congress within one hundred and eighty days after the date of enactment of this Act;

(5) prepare, within one hundred and eighty days after the date of enactment of this Act, a report on the status of the Agency's emergency information and communications systems which will provide recommendations on—

(A) the advisability of developing a single

unified emergency information and communication system for use by the Agency in carrying out is emergency management activities;

(B) the potential for using communication and remote sensing satellites as part of the Agency's emergency information and communication system; and

(C) the type of system to be developed, if needed, including the relationship of the proposed system and its needs to the existing and emerging information and communication systems in other Federal agencies; and

(6) conduct a program of multihazard research, planning, and mitigation in coordination with those studies and evaluations authorized in paragraphs (1) through (5), as well as other hazard research, planning, and mitigation deemed necessary by the Director.

SEC. 302. For the fiscal year ending September 30, 1981, there are authorized to be appropriated to the Director $1,000,000 to carry out paragraphs (1) through (5) of section 301 and such sums as may be necessary to carry out paragraph (6) of such section.

TITLE IV—GENERAL PROVISIONS

SEC. 401. If the total amount the appropriations made by any Act for program activities included section 103(a) of title I and titles II and III is less than the total amount authorized to be appropriated for those activities by section 103(a) of title I and titles II and III, the amount available from such appropriations for any particular program activity shall bear the same ratio to the amount authorized to be appropriated for that activity by section 103(a) of title I and titles II and III as the total amount of the appropriations made by such appropriation Act for all included program activities bears to the total amount authorized to be appropriated for those activities by section 103(a) of title I and titles II and III (with each ceiling and floor set forth in section 103(a) of title I and titles II and III being reduced in the same ratio for purposes of determining the amounts so available), except to the extent specifically otherwise provided in the text of the Act making the appropriations for the program activities involved.

The SPEAKER pro tempore. Pursuant to the rule, a second is not required on this motion.

The gentleman from California (Mr. BROWN) will be recognized for 20 minutes, and the gentleman from New Mexico (Mr. LUJAN) will be recognized for 20 minutes.

The Chair recognizes the gentleman from California (Mr. BROWN)

GENERAL LEAVE

Mr. BROWN of California. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the bill H.R. 7114.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. BROWN of California. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I should like to thank the gentleman from Florida (Mr. FUQUA), chairman of the Science and Technology Committee, and the committee's ranking minority member, the gentleman from New York (Mr. WYDLER), for their leadership and assistance during the Committee's considerations of H.R. 7114—a bill to amend the Earthquake Hazards Reduction Act of 1977 and the Fire Prevention Control Act of 1974.

I would also like to thank members of the Subcommittee on Science, Research and Technology and in particular, the ranking minority member, Mr. HOLLENBECK, for their assistance in preparing the bill.

Mr. Speaker, this is the first time that the Earthquake Hazards Reduction Act of 1977 has been reauthorized. In addition, this year marks a "first" for both the Earthquake and Fire Acts in that the responsibility for implementing them now resides with the newly created Federal Emergency Management Agency (FEMA). Since both of these programs are now part of FEMA, our subcommittee decided it would be appropriate to authorize both of them in a single bill.

The subcommittee spent considerable hearing time reviewing the needs of the Earthquake and Fire Act programs. Consequently, I believe, that the resultant bill, H.R. 7114, is a carefully balanced one.

I would like to briefly summarize the major provisions of the bill.

The administration's original and revised requests totaled $82,873,000, of which $60,984,000 was for the earthquake program and $21,889,000 was for the fire program. The committee authorized $92,923,000 of which $68,109,000 is for the earthquake program, $23,814,000 is for the fire program, and $1,000,000 is for the multihazard research, planning and mitigation program. Further breakdowns are given on pages 3, 13, and 21 of the committee report.

EARTHQUAKE PROGRAM (TITLE I)

[In thousands of dollars]

Agency program	Administration request	Committee action	Change
FEMA			
1. Public education; National, State and local levels		1,000	+1,000
2. Prediction response planning		500	+500
3. Disaster plans and preparedness	9/5	1,500	+525
4. Architectural and engineering planning and practice		600	+600
5. Interagency Committee on Seismic Safety in Construction and Building Seismic Safety Council	500	1,000	+500
6. Pass-through funding program:			
(a) NSF policy research		2,400	+2,400
(b) NSF strong motion research		600	+600
(c) NBS building research on codes and standards		1,000	+1,000
NSF			
7. Fundamental studies	7,200	7,200	.....
8. Engineering (siting and design, including strong motion research)	17,600	[1] 17,600	.....
9. Research for utilization (societal research)	1,800	[1] 1,800	.....
NBS			
10. Model seismic design and construction program	425	[1] 425	.....
USGS			
11. Fundamental studies	3,700	3,700	.....
12. Prediction research	15,600	15,600	.....
13. Induced seismicity	1,200	1,200	.....
14. Hazard assessment	11,100	11,100	.....
15. Salary adjustment	884	884	.....
Subtotal	60,984	68,109	+7,125

[1] See FEMA passthrough programs.

FIRE PROGRAM (TITLE II)

[In thousands of dollars]

	President's request	Committee action	Change
USFA:			
1. Planning and education	3,191	3,766	+575
2. National fire data center	5,885	5,885	.....
3. Research and development	4,005	4,225	+250
4. Fire academy	8,808	8,808	.....
5. Concentrated demonstration in fire prevention and control		1,100	+1,100
Subtotal	21,889	23,814	+1,925

MULTIHAZARD RESEARCH, PLANNING AND IMPLEMENTATION (TITLE III)

PLANNING, RESEARCH AND IMPLEMENTATION STUDIES AND PLANS

[In thousands of dollars]

	Amount
Administration request	.....
Committee action	1,000
Change	1,000
Total	92,923

The total amounts authorized for this bill differ from the administration's request by $10,050,000. These changes are based on the extensive oversight review conducted by the Science, Research and Technology Subcommittee. It is our conviction, that, if these programs are to be successful, the additional amounts, though not large, are necessary to meet the goals of the programs.

Mr. Speaker, title I of the bill deals with the earthquake hazard reduction program. This program, for which FEMA has primary responsibility for coordination, consists of two parts: research, and mitigation and implementation programs. The research components are to be carried out by the National Science Foundation, the U.S. Geological Survey, and the National Bureau of Standards. These agencies are responsible for fundamental geophysical research, earthquake prediction and hazard assessment research, and basic and applied seismic engineering research.

Equally as important as the above research areas, is policy research. This research provides the basis upon which public officials, private institutions, and citizens can devise realistic approaches for planning and mitigation efforts in the social, economic, and governmental areas.

These research programs, which are authorized in the individual agency bills are also authorized in H.R. 7114 for the following amounts: $32,484,000 for the U.S. Geological Survey, $26,600,000 for the National Science Foundation, and $425,000 for the Center for Building Technology, National Bureau of Standards.

The mitigation and implementation part of the earthquake program rests squarely with FEMA. Without an effective effort here, all of the valuable and necessary research is for naught, and the goals of the act—that is, to reduce earthquake hazards—will not be met. In order to insure that these goals are met, this committee recommended that FEMA's research and mitigation directorate undertake a number of new programs, and authorized sufficient funds to carry them out. These programs are:

(1) INTERAGENCY COMMITTEE ON SEISMIC SAFETY IN CONSTRUCTION AND BUILDING SEISMIC SAFETY COUNCIL PROGRAMS, $1,000,000

These two programs aim at developing seismic design and construction standards for Federal projects and guidelines for insuring serviceability of vital Federal (or Federal financed) facilities (ICSSC), and developing through a representative body of the entire building community, acceptable new codes and standards (BSSC).

(2) PLANS AND PREPAREDNESS FOR EARTHQUAKE DISASTERS, $1,500,000

This program is aimed at development of loss estimates and vulnerability studies for seismic sensitive populated areas. It will use the results of these studies to develop a coordinated plan for dealing with the numerous problems that are present in an earthquake disaster.

(3) PREDICTION RESPONSE PLANNING, $500,000

With the establishment of the National Earthquake Prediction Council, any validated prediction made by the Council and issued by the Director of USGS will then be transmitted to the Director of FEMA and the Governor of the State. There is no Federal plan on how to respond to such a prediction. Unlike other natural hazards, there is a very strong need to develop one, as there are many social, economic, and financial consequences of issuing a prediction. There must be necessary coordination between FEMA and the State and local governments.

(4) ARCHITECTURAL AND ENGINEERING PLANNING AND PRACTICE, $600,000

There is a distinct need to reach out to the architectural and engineering community to educate them about the needs for incorporation of seismic considerations in design and construction. There is also a need for an education process on what type of data is available and will become available. This is an important prerequisite in utilization of the National Bureau of Standards work on new building techniques for mitigation.

(5) PUBLIC EDUCATION PROGRAMS ON A STATE, LOCAL AND NATIONAL LEVEL, $1,000,000

At this particular time, there is almost no public or locally initiated education program to provide for information on hazards, and types of mitigation and response measures developed by FEMA. Testimony from outside witnesses indicated a pressing need to develop such programs. This amount should just provide for minimal development for fiscal year 1981. The program should be carried out by State and local organizations.

In addition, the committee recognized that there is need for additional funding in other parts of the program which reside in the National Science Foundation and the National Bureau of Standards, above and beyond their own authorizations, if the entire program is to succeed. Most important, as emphasized by both the second annual earthquake hazards program report, and many of the representatives of State and local governments at our authorization hearings, is the policy research aspect.

The failure of this program would materially effect the overall success of the entire program. The results of this research are needed to prepare realistic preparedness, mitigation and response plans. The public officials responsible for those plans acknowledged this at our hearings and at other meetings. Therefore, an extra $2.4 million has been added to the authorization to bring this part back in line with the rest of the program.

For similar reasons, we found it necessary to include an extra $600,000 for the strong motion element of the siting program. The data generated by it is the basis for almost all seismic engineering research. In addition, we found it necessary to supplement the National Bureau of Standards budget with $1 million so that it could carry out its program in developing, testing, and improving seismic design and instruction codes and standards.

The administration's request for this part of the program was only $1,450,000, an amount which represents only 3 percent of the total program budget. It does not allow FEMA to really address the above issues. In authorizing the FEMA budget at $8,600,000, we are using the "ounce of prevention" approach. Without any real planning, a major earthquake could cause over $50 billion in damage to a major population center. This could have a devastating effect on both the civilian sector and also the defense sector which have many major production facilities in earthquake prone areas. By striving toward the goals of this program, we can substantially reduce both life and property loss.

Mr. Speaker, title II of H.R. 7114 authorizes funds for the U.S. Fire Administration and the National Bureau of Standards Center for Fire Research. Fires, as the House has often heard, are responsible for over 8,000 deaths in the country and many billions of dollars of property losses. It is essential that the United States seek to reduce its fire losses. The rate of fire deaths in other industrial nations averages half of ours—a shocking difference.

Under the bill, planning and education at the U.S. Fire Administration would be authorized in the amount of $3,766,000. This is an increase of $575,000 over the administration's request for special efforts in rural fire prevention and control. Mr. Speaker, on a per capita basis fire losses are greater in rural areas than they are in urban areas; at the same time the rural fire companies do not have the same degree of the training and management expertise to undertake comprehensive fire prevention and control, planning and management. This small addition by the committee, for which there was great support by the part of witnesses and Members, would seek to correct that deficiency slightly. Let me note that it is the committee's intent that these efforts will be coordinated with the concentrated demonstration program on fire prevention and control which I discuss later.

The Fire Administration also contains a $5,885,000 program to support the National Fire Data Center. The Data Center is responsible for collecting national fire statistics so that we can come to a better understanding of how and where the Nation's fire losses are occurring. Currently, there are 36 States participating in this system which was one of the primary recommendations of the National Commission on Fire Prevention and Control. The committee recommendation is the same as the administration's request.

The committee also approved $4,255,000 for research and development at the Center for Fire Research at the National Bureau of Standards. This represents an increment of $250,000 above that requested by the President for the Center for Fire Research. The committee added this small amount to provide allowance for mandated salary increases at the Research Center. Without it, the Fire Research Center would be required to absorb mandated pay increases by cutting back its research efforts.

Because this research and development is supported by funds transferred through the U.S. Fire Administration and Federal Emergency Management Agency to the National Bureau of Standards, under the administration's request, the Bureau of Standards would not have received compensation for mandated salary increases on this portion of its program. Mr. Speaker, the Center for Fire Research studies primarily the physical and chemical properties of combustion as well as the responses of material to combustion situations. It will give us greater understanding of "flash-out" which occurs when a small smoldering fire becomes a raging inferno within seconds. This phenomenon was responsible for the deaths which occurred at the Beverly Hills Supper Club fire which killed approximately 100 people several year back.

The bill would also authorize $8,808,000 to operate the National Academy for Fire Prevention and Control for its second year. The National Academy, I am pleased to report, is finally operating after approximately 5 years in planning and preparations. It is now accepting its first students and has an ongoing student body of about 300. There are plans also to base civil defense training programs on the same physical facility at Emittsburg, Md. While I support greater coordination and merging of fire programs with civil defense training, I do not want this to cut into the Fire Academy funds because I am pleased to report that the Fire Administration is operating the Academy at the original projected funding levels which were provided to the Committee at the time of the purchase of the Emittsburg, Md., site 2 years ago. To stay within the budget in spite of inflation is to be commended this day and would be impossible if USFA funds also supported civil defense training.

Finally, Mr. Speaker, the authorization in this bill includes a $1,100,000 line item for a concentrated demonstration program and fire prevention and control. The committee view points out that Southeastern States of the country have extraordinary high fire losses—almost double those of the Nation at large. In all likelihood these could be reduced, but we must develop practical experience on how to tackle this problem. In order to best determine how a major commitment of resources should be undertaken effec-

tively on a regional or a nationwide basis, the Fire Administration recommended a concentrated program which could marshal substantial resources on a limited area within two States. The goal is to achieve a demonstrable decrease in fire loses over a period of 3 years.

The data which the experience would gather from such a program would be highly beneficial to designing a larger, more comprehensive program if it proved worthwhile. The committee concurred in the wisdom of this move and wishes to emphasize that it is most important that the Fire Administration seek to achieve a real decrease in fire losses over the lifetime of this proposed program.

Thus, it is far more important that resources be concentrated and focused, rather than trying to cover all bases within a given State. I commend the Fire Administration's initiative in this regard, and I look forward to hearing the results of this project over the coming years.

Mr. Speaker, if the programs of the Fire Administration are successful, they will more than pay for themselves many times over. Even more important, in human terms, we might reduce the incredible number of needless fire deaths as well as the enormous suffering. Tens of thousands of people are permanently and hideously maimed with severe burns. I strongly urge my colleagues to approve these programs we authorize today for the U.S. Fire Administration.

The committee also recognized that many of the research findings and knowledge gained in developing comprehensive mitigation and response plans for earthquakes may be applicable to other manmade and natural disasters as well. We therefore developed title III of H.R. 7114, entitled: "Multihazard Research, Planning and Mitigation." This title would mandate FEMA's Mitigation and Research Directorate to undertake studies to define and develop a program of multihazard research mitigation and planning. This program would be based on the common elements of many of these hazards, and would help ways of dealing with these related problems in a way which most efficiently utilizes resources. The initial areas to be addressed by this program are:

Development, in cooperation with State and local governments of prototypical multihazard mitigation projects which would allow for experimentation and evaluation of different approaches to various disaster needs. Results could lead to programs applicable to most sections of the country. In addition, FEMA would be required to investigate various incentives that would increase the effectiveness of hazards reduction programs on the State and local level, and to develop ways of putting these incentives into practice.

Another area that the committee would like FEMA to address is the status of emergency communication networks. FEMA is expected to make recommendations as to improvements in such systems, utilizing the rapidly emerging new techniques in information transmission and handling.

To get this program started, the committee has authorized $1 million. We feel that using this approach of advanced integrated planning for different hazards will have large paybacks later in terms of reduction of life and property damage.

This multihazard planning and mitigation title is the most important section of the bill. It is the key to whether we simply put up with repeated loss of life and property from the many natural and manmade disasters we face, or whether we move to more effectively prevent them, and to more efficiently use our resources to control and recover from them.

Mr. Speaker, this concludes my description of the major emphasis of the programs in this bill. I think it is a good bill, and its goals are well worth supporting. I urge favorable consideration and adoption.

Mr. Speaker, I reserve the balance of my time.

Mr. LUJAN. Mr. Speaker, I yield 5 minutes to the gentleman from Pennsylvania (Mr. RITTER).

Mr. RITTER. Mr. Speaker, I join my colleagues of the Science Committee and rise in support of H.R. 7114 authorizing appropriations for the Earthquake Hazards Reduction Act of 1977 and the Federal Fire Prevention and Control Act of 1974.

The bill would authorize $68 million in title I for earthquake hazards reduction and places a strong emphasis on the need for policy research, and for research on building codes and standards, as well as planning for a public response to a prediction of an earthquake. I might add that much of what we learn as a result of the programs authorized by this section of the act will be applicable to other disasters. Thus, efforts to mitigate floods, which are a particular problem in Pennsylvania, may well learn much in an attempt to plan for large-scale disasters such as earthquakes, which are a problem in the West. However, I would also add that no State is completely immune from earthquakes.

This interest in multihazard planning was a theme for our subcommittee hearings and is reflected in the authorization of $1 million for multihazard planning, research and development contained in title III.

Title II authorizes $23,814,000 for the programs of the U.S. Fire Administration and the Center for Fire Research.

Mr. Speaker, my colleagues on the Science Committee have mentioned the shockingly high fire death rates and property loss rates which this country experiences by comparison with all other industrialized nations. Only Canada rivals us.

Throughout these last several years, it has become apparent that given the relatively small appropriation available to it, the Fire Administration could never match national needs in the area of fire prevention and control. Fire prevention and control is and must remain predominantly a State and local initiative; however, the Federal Government can contribute greatly by marshaling technical resources, by developing new fire department management techniques, and by collecting fire data and disseminating research results, by community master planning, and by providing advanced training in thousands of communities, big and small, throughout the Nation. Given its small budget, it is important to know how to best allocate limited Federal resources. Thus, the Fire Administration, with the committee's approval, will begin plans to embark on a concentrated demonstration program in fire prevention and control in two States with high fire death rates. The experimental program will last for 3 years, and we believe it will produce a measurable rollback of fire death rates and property loss rates in the affected communities. The lessons we may learn for the Nation at large could be bountiful and could show us how to achieve the goal, advocated by the National Commission on Fire Prevention and Control, of reducing fire losses by one half over the next generation.

Mr. Speaker, I urge my colleagues to join me in supporting H.R. 7114. Thank you, Mr. Speaker.

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Mr. LUJAN. Mr. Speaker, I yield myself 2 minutes.

Mr. Speaker, as a member of both the Committee on Science and Technology and the Interior and Insular Affairs Committee, I rise in support of H.R. 7114, a bill to extend the authorization for appropriations for the Earthquake Hazard Reduction Act of 1977. We held hours of hearings on this bill. The testimony from the Department was favorable and emphasized the need for this authorization in order that the research work that has taken place over the past 3 years under this act might continue. It would be well at this point to emphasize the objectives of that act and the goals which the administration has sought to achieve:

Earthquake resistant construction;

Earthquake prediction;

Development of model code;

Earthquake-related issue comprehension;

Public education;

Earthquake hazards mitigation research; and

Seismic phenomena research.

In June 1979 President Carter issued an Executive order naming the Federal Emergency Management Agency (FEMA) as the lead agency for this earthquake hazards program. Previously the Office of Science and Technology Policy had been the lead agency. It is the belief of the administration that this reorganization will add substantially to the accomplishment of the goals enumerated under this act.

In 1977 this program was authorized for a period of 3 years. However, under this legislation the program is authorized for but a single year to assure effective continuing legislative oversight regard-

ing the use of these funds and the success of this important program.

Mr. Speaker, I support the adoption of this bill.

Mr. BROWN of California. Mr. Speaker, I yield 5 minutes to the distinguished gentleman from Nevada (Mr. SANTINI).

Mr. SANTINI. Mr. Speaker, I rise in support of the earthquake hazards reduction program in H.R. 7114. This program is obviously in the national interest as can be evidenced by the tremendous activity in the West over the past few months. Reauthorization of this program will provide the continued research and data collection necessary to reduce the disastrous effects of earthquakes.

Several objectives were enumerated in the 1977 act to accomplish the ultimate goal of reducing the loss of lives and property from earthquakes: Earthquake resistant construction; earthquake prediction; development of model code; earthquake-related issue comprehension; public education; earthquake hazards mitigation research; and seismic research. Progress has been made since the program was first funded in fiscal year 1978, but much work remains to be done to better understand this phenomenon.

The research plan for the next 5 years calls for preparation of maps showing earthquake hazards and risk evaluation; improved delineation of earthquake-source zones—nationwide and regionally; development of improved methods for making earthquake hazards and risk maps; preparation of a series of regional seismic hazards and risk maps; and investigation of damaging earthquakes in the world and publication of the resulting data and information.

The U.S. Geological Survey carries out scientific research and engineering studies that contribute to a better understanding of earthquake hazards. Results of USGS research are communicated to others for use in construction designs for hospitals, Government buildings, houses, dams, nuclear powerplant sitings, and oil pipelines, to name a few uses.

I, too, wish to commend the chairman and members of the Committee on Science and Technology for their efficiency and cooperation to extend authorizations for the earthquake hazards reduction program.

Mr. Speaker, I urge my colleagues to support passage of H.R. 7114.

● Mr. FUQUA. Mr. Speaker, today we are considering authorizations for appropriations for the Earthquake Hazards Reduction Act of 1977, the Federal Fire Prevention and Control Act of 1974, and a multihazards research, planning, and mitigation program for fiscal year 1981 (H.R. 7114). The Committee on Science and Technology is authorizing these programs in a single bill, H.R. 7114, since the responsibility for administration of both acts has been conveyed by Executive order to the Federal Emergency Management Agency. The committee has done an extensive oversight review of these programs in the course of this authorization process, and has reported out the bill favorably by a 36-to-1 vote.

As with almost all of the bills from this committee, this is a bipartisan effort, and I want to express my appreciation to Members on both sides of the aisle, particularly Mr. WYDLER, the ranking minority member of the Committee on Science and Technology, and Mr. HOLLENBECK, the ranking minority member of the Subcommittee on Science, Research, and Technology, for their support and guidance.

I particularly want to commend Mr. BROWN, chairman of the Subcommittee on Science, Research, and Technology, for his excellent job of handling the new concepts presented by this comprehensive approach to emergency management.

Two and a half full days of hearings were held on this bill, with witnesses from the agencies involved, including FEMA, the National Science Foundation, the National Bureau of Standards, and the U.S. Geological Survey. Outside witnesses from academia and State and local governments also participated. In addition, other oversight activities involving both the fire and earthquake programs aided us in our considerations of H.R. 7114.

Title I of the committee bill amends the Earthquake Hazards Reduction Act of 1977 by legislatively recognizing that FEMA now has the responsibility for conducting and coordinating this program. Previously, this responsibility had been delegated to FEMA by the President's Reorganization Plan No. 3 of 1978. The bill also clarifies certain issues of responsibility for both the Director of FEMA and the Director of the U.S. Geological Survey. The bill authorizes $68,109,000 to carry out the earthquake program. This is an increase of $7,125,000 over the administration request. The increase in funding stems from the recognition that there is need for more emphasis to be placed in the implementation of mitigation and response plans necessary to carry out new programs in FEMA to meet the goals of the act. Without such plans, many of the findings arising out of earthquake research would not be effectively put into practice.

Title II, which addresses the Federal Fire Prevention and Control Act, is an attempt to try to augment State and local efforts to reduce fire losses. Combating fires only after they have already started is reminiscent of closing the barn door after the horse is out. Therefore, the act stresses the importance of fire prevention as a principal concern. I wish to recognize, as Chairman BROWN does, that fire losses in my area of the country are unfortunately far too high. My fellow citizens have suffered too long, and I am pleased that the Fire Administration is attacking this problem by focusing sufficient new resources on one or two States in the Southeast. By so doing, we believe that there will be a measurable reduction in fire losses in these demonstration States within 3 to 4 years. That should give us the necessary experience to enable us to move on a regional basis to reduce the truly tragic losses in property, lives, and personal suffering. To fully support these programs, the committee has authorized an additional $1,675,000 above the administration's request, for a total of $23,814,000.

In addition to reauthorization of the Earthquake and Fire Act programs, the committee recognizes that the research findings and knowledge gained in the development of comprehensive mitigation and planning efforts in the earthquake area are applicable to other man-made and natural hazards as well. For this reason, title III—multihazard research, planning, and mitigation—was developed to address these areas. FEMA, in cooperation with State and local governments is required by title III to study a number of areas in which multihazard planning may be applicable, and to devise ways to implement these plans. The committee has authorized $1,000,000 for title III.

Mr. Speaker, the committee has worked hard to create a bill which will realistically address the problems of earthquake, fire, and other hazards. We realize that this is a tight budget year, but given the very real potential to mitigate these disasters and the resultant life and property losses, we urge favorable consideration and passage of H.R. 7114.●

● Mr. HOLLENBECK. Mr. Speaker, I join my colleagues, Chairman FUQUA, Chairman BROWN of our subcommittee, JACK WYDLER, the ranking minority member of our committee, and rise in support of H.R. 7114. The bill authorizes appropriations for the Earthquake Hazards Reduction Act of 1977 and for the Federal Fire Prevention and Control Act of 1974 for fiscal year 1981.

Mr. Speaker, as a general point, I would note that we have seen what devastation Mount St. Helens has caused in the Pacific Northwest. There we see the effects of a large-scale disaster. Can you imagine what this would have looked like had it taken place in the middle of Los Angeles? Or San Francisco? How well prepared do you think we would be? Although California is the prime site, no area of the country is completely immune from earthquakes. Some of the greatest earthquakes in the country's history took place in what are called "mid-plate" locations, that is, in the middle of the great continental plates which make up the Earth's surface. It is very important that these important programs are continued to meet the possible threat of earthquakes.

Our lack of preparedness and even our lack of planning to cope with earthquakes and volcanoes applies equally to other large-scale disasters, such as major floods or hurricanes, and tornadoes. Much of what we learn through the programs which are authorized by this bill will be equally applicable to other disasters. It is for this reason that I am particularly pleased to see that our committee singled out public education programs, the development of planning for public response to an earthquake or disaster prediction, architectural and engineering studies, policy research, and re-

search on building codes and standards. These will be funded through the National Science Foundation and the National Bureau of Standards.

I am also pleased to see that under title III, the committee has addressed the issue of multihazard research planning and mitigation.

Mr. Speaker, the other major programs authorized by this bill are those in fire prevention and control performed by the U.S. Fire Administration and by the Center for Fire Research at the National Bureau of Standards. The committee authorized $23,814,000, which represents an increase of about $2 million over the President's budget. I should note, however, that this figure is approximately $8 million below last year's authorization level of about $31 million. The committee took this approach because we believe that one should only authorize programs which have a reasonable chance of obtaining funding.

The programs recommended are so important that they must be funded even under our current tight budget circumstances. In that context, Mr. Speaker, I strongly support the initiative that the Fire Administration will undertake on a concentrated demonstration program in fire prevention and control. That program will concentrate resources on public education, improved management training for fire service personnel, technical assistance, fire data systems to analyze fire problems, and special courses at the National Fire Academy in order to produce a measurable decrease in fire death rates in two Southeastern States where death rates are high.

Mr. Speaker, the National Commission on Fire Prevention and Control called for a 50-percent reduction over a generation in fire losses by this country. This certainly is possible, for we know that our fire losses, which amount to over 8,000 persons a year plus tens of thousands who are horribly maimed and burned, are far higher than need be. Other industrial nations average only half the rate of fire losses this Nation suffers. Still, no one quite knows what the most fruitful line of attack on this serious problem would be. The Fire Administration's programs by and large are excellent, but they are by no means sufficient to solve this problem on their own, even with the substantial leveraging of State and local money. Let me say, in supporting the request for the focused 3-year demonstration program in fire prevention and control, we really do expect an improvement in fire statistics to result. We strongly urge the Fire Administration to allocate its resources and to design its programs so that there are sufficient resources at each site to achieve measurable improvements. Only in that way can the Congress decide whether to undertake the expanded program originally advocated by the National Commission for Fire Prevention and Control.

Mr. Speaker, let me conclude by saying that I strongly support this bill and urge the House to join me.●

● Mr. UDALL. Mr. Speaker, I rise in support of H.R. 7114 title I to reauthorize appropriations for the earthquake hazards reduction program. In 1977, Congress established this program to provide for participation in a national program by Federal, State, and local governments, and the business, industry, and academia community.

This authorization extension would allow the continuation of efforts already being undertaken by the U.S. Geological Survey, National Science Foundation, Bureau of Standards, and numerous State and local governments, and universities. While extensive research remains to be performed, much has been accomplished over the past 3 years. Substantial new networks of instrumentation and surveys have been initiated and are gathering information to understand the processes leading to large earthquakes. Data gained from these networks will be useful in predicting earthquakes. Regional studies are underway to evaluate and delinate earthquake hazards in the major urban centers of the country most susceptible to earthquakes. These are only a few examples of the excellent scientific work being performed to achieve our ultimate goal of reducing the loss of lives and property from earthquake disasters.

Eruption of Mount St. Helens and the numerous earthquakes which have shaken the Western States illustrate the urgency and wisdom of continuing research to mitigate the effects of natural disasters. Eventually, we hope to predict with accuracy such occurrences.

The Committee on Interior and Insular Affairs' legislative responsibility for funding level authorization of the earthquake program is limited to that of the U.S. Geological Survey, and we recommend $32,484,000 for fiscal year 1981. This represents the amount requested by the administration. However, I would like to commend the chairman and members of the Committee on Science and Technology for their diligence in recommending authorization levels for the Federal Emergency Management Agency, National Science Foundation, and Bureau of Standards. Title I of H.R. 7114 reflects a realistic and conscientious effort by our two committees.

I urge my colleagues to support passage of H.R. 7114.●

● Mr. WYDLER. Mr Speaker, I will be very brief. I rise in support of H.R. 7114 which authorizes funds for fiscal year 1981 for the Earthquake Hazards Reduction Act and the Federal Fire Prevention and Control Act. I commend my colleagues, Chairman FUQUA, Subcommittee Chairman BROWN, and ranking minority member, "CAP" HOLLENBECK, for the excellent job they have done in preparing this bill for our consideration today.

Mr. Speaker, as my colleague "CAP" HOLLENBECK notes in his remarks, the Mount St. Helens explosion certainly illustrates the degree to which we would be utterly incapable of coping with a large-scale disaster such as might occur were an earthquake to strike Los Angeles or San Francisco. Research, and particularly the policy research supported by this bill, would be of great use in meeting such disasters.

Mr. Speaker, I think that the bill's initiatives in developing a multihazard research effort to combine the resources of civil defense programs with programs to meet other hazards is an excellent conception.

The fire program, which I have supported consistently in the past, is an absolute necessity when we confront the shocking fire statistics of this Nation. I am pleased to note, however, that in this year of fiscal stringency, the recommended authorization is some $8 million or nearly 25 percent below last year's authorization. I am glad to see the committee has decided to authorize only programs for which there is a reasonable chance of obtaining funds.

I do support the committee's recommendation in this context for a concentrated demonstration program on fire prevention and control. I believe it is important that a program such as the U.S. Fire Administration's programs seek to produce a measurable movement toward the achievement of its goals, in this case the reduction of fire losses. We do not know how the general problem should be attacked, but perhaps by focusing resources narrowly in an area of high fire losses, we can begin to get a better idea. At the same time, we will in this way be insisting upon a greater degree of accountability for programs undertaken by the Federal Government to produce results.

Mr. Speaker, I conclude by urging my colleagues to join me in supporting H.R. 7114.●

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from California (Mr. BROWN) that the House suspend the rules and pass the bill, H.R. 7114.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the bill was passed.

A motion to reconsider was laid on the table.

Mr. BROWN of California. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the Senate bill (S. 1393) to amend section 7 of the Earthquake Hazards Reduction Act of 1977 (42 U.S.C. 7706) to extend authorizations for appropriations, and for other purposes, and ask for its immediate consideration.

The Clerk read the title of the Senate bill.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

There was no objection.

The Clerk read the Senate bill, as follows:

S. 1393

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 7 of the Earthquake Hazards Reduction Act of 1977 (42 U.S.C. 7706) is amended to read as follows:

"SEC. 7. AUTHORIZATION OF APPROPRIATIONS.

"(a) FEDERAL EMERGENCY MANAGEMENT AGENCY.—There are authorized to be appropriated to the Federal Emergency Management Agency to carry out the provisions of this Act (in addition to the authorization set forth in subsections (b) and (c) of this section) not to exceed $5,000,000 for the

fiscal year ending September 30, 1981; not to exceed $10,000,000 for the fiscal year ending September 30, 1982; and not to exceed $10,000,000 for the fiscal year ending September 30, 1983.

"(b) GEOLOGICAL SURVEY.—There are authorized to be appropriated to the Secretary of the Interior for purposes of carrying out, through the Director of the United States Geological Survey, the responsibilities that may be assigned to the Director under this Act not to exceed $27,500,000 for the fiscal year ending September 30, 1978; not to exceed $35,000,000 for the fiscal year ending September 30, 1979; not to exceed $40,000,000 for the fiscal year ending September 30, 1980; not to exceed $32,500,000 for the fiscal year ending September 30, 1981; not to exceed $40,900,000 for the fiscal year ending September 30, 1982; and not to exceed $45,600,000 for the fiscal year ending September 30, 1983.

"(c) NATIONAL SCIENCE FOUNDATION.—To enable the Foundation to carry out responsibilities that may be assigned to it under this Act, there are authorized to be appropriated to the Foundation not to exceed $27,500,000 for the fiscal year ending September 30, 1978; not to exceed $35,000,000 for the fiscal year ending September 30, 1979; not to exceed $40,000,000 for the fiscal year ending September 30, 1980; not to exceed $26,600,000 for the fiscal year ending September 30, 1981; not to exceed $35,200,000 for the fiscal year ending September 30, 1982; and not to exceed $37,000,000 for the fiscal year ending September 30, 1983.".

MOTION OFFERED BY MR. BROWN OF CALIFORNIA

Mr. BROWN of California. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. BROWN of California moves to strike all after the enacting clause of the Senate bill (S. 1393) and to insert in lieu thereof the provisions of H.R. 7114, as passed by the House.

The motion was agreed to

The Senate bill was ordered to be read a third time, was read the third time, and passed.

The title was amended so as to read: "A bill to amend the Earthquake Hazards Reduction Act of 1977 and the Federal Fire Prevention and Control Act of 1974 to authorize the appropriation of funds to the Director of the Federal Emergency Management Agency to carry out the earthquake hazards reduction program and fire prevention and control program, and for other purposes.".

A motion to reconsider was laid on the table.

A similar House bill, H.R. 7114, was laid on the table.

DISPENSING WITH CALENDAR WEDNESDAY BUSINESS ON WEDNESDAY NEXT

Mrs. SPELLMAN. Mr. Speaker, I ask unanimous consent that the business in order under the Calendar Wednesday rule shall be dispensed with on Wednesday next.

The SPEAKER pro tempore. Is there objection to the request of the gentlewoman from Maryland?

There was no objection.

MILITARY LEAVE

Mrs. SPELLMAN. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 6065) to amend title 5, United States Code, to provide that military leave be made available for Federal employees on a fiscal year rather than a calendar year basis, as amended.

The Clerk read as follows:

H.R. 6065

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 6323(a) of title 5, United States Code, is amended—

(1) by striking out "An employee" and inserting in lieu thereof "(1) Subject to paragraph (2) of this subsection, an employee";

(2) by striking out "for each day, not in excess of 15 days in a calendar year, in which he is on active duty or is engaged in field or coast defense training" and inserting in lieu thereof the following: "for active duty or engaging in field or coast defense training";

(3) by adding at the end thereof the following new sentence: "Leave under this subsection accrues for an emp'oyee or individual at the rate of 15 days per fiscal year and, to the extent that it is not used in a fiscal year, accumulates for use in the succeeding fiscal year until it totals 15 days at the beginning of a fiscal year."; and

(4) by adding at the end thereof the following new paragraph:

"(2) In the case of an employee or individual employed on a part-time career employment basis (as defined in section 3401(2) of this title), the rate at which leave accrues under this subsection shall be a percentage of the rate prescribed under paragraph (1) which is determined by dividing 40 into the number of hours in the regularly scheduled workweek of that employee or individual during that fiscal year.".

SEC. 2. The amendments made by the first section of this Act shall take effect October 1, 1980.

□ 1330

The SPEAKER pro tempore. Pursuant to the rule, a second is not required on this motion.

The gentlewoman from Maryland (Mrs. SPELLMAN) will be recognized for 20 minutes, and the gentleman from Illinois (Mr. CORCORAN) will be recognized for 20 minutes.

The Chair recognizes the gentlewoman from Maryland (Mrs. SPELLMAN).

Mrs. SPELLMAN. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, the legendary lawyer, Clarence Darrow, liked to say, "To differ is to think." But I doubt that even the combative Mr. Darrow would favor the kind of mindless "difference" in Federal Government policies that prompted the introduction of H.R. 6065.

The sad truth is, that this particular "difference"—a needless inconsistency in law and Defense Department practice—penalizes thousands of Federal employees each year who serve in our military Reserves or National Guard. It penalizes them by requiring that they either use vacation days or lose pay in order to fulfill their annual military training obligation.

Obviously, such a penalty is a considerable disincentive to continuing in the Reserve or Guard for these "citizen soldiers." It adversely affects an estimated 7,500 civil servants annually.

Mr. Speaker, this problem exists solely because Federal law requires that military leave for Government workers be granted on a calendar year basis while Reserve and National Guard training is scheduled to a fiscal year basis.

There is no penalty when an employee is scheduled for annual training in successive calendar years. However, often, Federal employees find they must attend two training sessions that, although they take place in different fiscal years, fall within the same calendar year. When this happens, these employees have no choice but to supplement their 15 days' annual military leave with either regular annual leave or leave without pay.

H.R. 6065 would make three changes in existing law in an effort to solve this problem. First, it would provide that military leave be made available on a fiscal year basis rather than a calendar year basis. Second, it would allow Federal employees to carry over all or a portion of their 15 days of military leave to the next fiscal year.

The second provision was added to the bill at the suggestion of General Greenlief of the National Guard Association.

The Defense Department subsequently said this amendment "would provide more administrative flexibility in scheduling training and should permit most Federal employees to attend annual training without loss of the military leave benefit." Defense termed this "a reasonable thing to do" in light of the problem at hand.

Third, the bill grants permanent part-time employees a prorated share of the regular military leave benefit for which provision is necessary to make H.R. 6065 consistent with the intent of the Federal Employees Part-Time Career Employment Act of 1978 (Public Law 95-347).

Mr. Speaker, I feel the intent of Congress was clear when, in 1947, it provided for 15 days of military leave each year for Federal employees who also serve in the Military Reserves or National Guard. Congress was saying that these "citizen soldiers" should not have to sacrifice either pay or benefits to serve in the Armed Forces. And yet, this is exactly what is happening today because of the problem I have outlined.

Mr. Speaker, Government workers make up only 3 percent of our Nation's total labor force. But they comprise fully one-fifth of the membership in our Military Reserves and National Guard. At a time when we all are extremely concerned about military manpower levels—particularly in the Reserves—I think this is a most appropriate and timely piece of legislation. It is a way to strengthen our Armed Forces at virtually no cost while also eliminating a pointless inconsistency in Government policies that penalizes individuals playing an important role in our national defense.

The committee urges passage of this bill and I strongly urge my colleagues to support it.

Mr. CORCORAN. Mr. Speaker, I yield myself 1 minute.

Mr. Speaker, H.R. 6065, sponsored by

Congresswoman SPELLMAN, attempts to resolve a problem faced by Federal employees who are also reservists in our Armed Forces or members of the National Guard. Federal employees are entitled to 15 days of paid military leave each calendar year to enable them to fulfill their obligation to maintain readiness to protect our Nation in times of trouble. This bill would provide for military leave on a fiscal rather than annual leave basis.

However, military training periods are often scheduled without regard for the 2-week per year leave time provided for Federal employees. The result is that Federal employees may be scheduled for more than 2 weeks of military training in 1 year. Employees then must take the second military leave as leave without pay or as vacation time. This is an unfortunate situation which penalizes employees for their dedication to our Nation, and it would not be resolved simply by a switch to a fiscal year basis. Congresswoman SPELLMAN's bill addresses this problem by providing that an employee can carry over leave time on a biannual basis. Thus, an employee can accrue up to 2 years of paid leave time for military training. In addition, the bill would provide that permanent part-time employees would receive paid military leave for an amount of time proportional to the number of hours worked per week.

The National Guard Association of the United States supports this legislation and the Department of Defense finds such a biannual adjustment reasonable. In addition, the bill is expected to have no budgetary impact, and I believe that at this time in our Nation's history, any action we can take to encourage participation in voluntary defense programs should be supported by Members of Congress. Therefore, I urge my colleagues to support this bill.

Mr. Speaker, I yield back the balance of my time.

● Mr. HARRIS. Mr. Speaker, today the House is considering H.R. 6065, introduced by my colleague, Mrs. SPELLMAN, to provide that military leave be made available for Federal employees on a fiscal year rather than a calendar year basis. The inconsistency between "fiscal year" and "calendar year" often forces Federal employees to use their annual leave or take leave without pay whenever two training sessions fall within 1 calendar year. I am in full support of this legislation which will help strengthen our Armed Forces by eliminating a disincentive for Federal employees, who comprise one-fifth of the membership in our military Reserves and National Guard, to retain their membership.

During full committee consideration, I successfully offered an amendment to H.R. 6065, which would provide permanent part-time employees in the Federal Government a prorated share of the 15-day maximum military leave time based on the portion of the 40-hour week worked. The amendment would bring the regular benefits for part-time Federal employees in line with the benefits of full-time personnel, and is consistent with the intent of the Part-Time Career Opportunity Act passed by Congress 2 years ago.

The SPEAKER pro tempore. The question is on the motion offered by the gentlewoman from Maryland (Mrs. SPELLMAN) that the House suspend the rules and pass the bill (H.R. 6055), as amended.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the bill, as amended, was passed.

The title was amended so as to read: "A bill to amend title 5, United States Code, to provide that military leave be made available for Federal employees on a fiscal year rather than a calendar year basis, to allow certain unused leave to accumulate for subsequent use, and for other purposes.".

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mrs. SPELLMAN. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks on the bill just passed.

The SPEAKER pro tempore. Is there objection to the request of the gentlewoman from Maryland?

There was no objection.

SMALL VESSEL INSPECTION AND MANNING

Mr. BIAGGI. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 5164) to amend certain inspection and manning laws applicable to small vessels carrying passengers or freight for hire, and for other purposes, as amended.

The Clerk read as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) section 4426 of the Revised Statutes (46 U.S.C. 404), is amended so that the first portion of the section, commencing with the words "4426. The hulls and boilers of every ferryboat," and ending with the words "after December 31, 1953: *Provided further,*" reads as follows:

"SEC. 4426. The hulls and boilers of every ferryboat, canal boat, yacht, or other small craft of like character propelled by steam, shall be inspected under the provisions of this title. All mechanically propelled vessels of one hundred gross tons or over, except those vessels propelled by machinery other than steam and engaged in fishing as a regular business, which carry freight or passengers for hire shall likewise be inspected under the provisions of this title. The Secretary of the department in which the Coast Guard is operating shall issue regulations as may be necessary to carry out the provisions of this section for the inspection of hulls, machinery, and equipment; for the manning of these vessels; and for the duties and qualifications of the personnel thereof. Other applicable provisions of law and the regulations issued hereunder shall be complied with before a certificate of inspection may be issued: *Provided,* That no such vessel of three hundred gross tons or over may be navigated without a licensed engineer and a licensed deck officer: *Provided further,* That, for any violation of the provisions of this title or of the regulations issued thereunder, these vessels, their masters, officers, and owners shall be subject to the provisions of sections 4496, 4497, 4498, 4499, and 4500 of this title, relating to the imposition of penalties and the enforcement of law: *Provided further,*".

(b) Title 52 of the Revised Statutes is amended by adding the following new section after section 4426:

"SEC. 4426a. (1) An offshore supply vessel is a vessel that—

"(i) is propelled by machinery other than steam,

"(ii) is not within the description of passenger carrying vessels in section 1 of the Act of May 10, 1956 (70 Stat. 151), as amended (46 U.S.C. 390),

"(iii) is of more than fifteen and less than five hundred gross tons, and

"(iv) regularly carries goods, supplies, or equipment in support of exploration, exploitation, or production of offshore mineral or energy resources.

"(2) An existing offshore supply vessel is one that was operating as such on or before January 1, 1979, or that, if not in service of any kind on or before that date, was contracted for on or before that date and entered service as such before the effective date of this section.

"(3) A new offshore supply vessel is one that is not an existing offshore supply vessel.

"(4) In the application of section 4417 or 4426 of this title or the Act of May 10, 1956 (70 Stat. 151), as amended (46 U.S.C. 390–390g), to an offshore supply vessel, the term 'passenger' means any person carried on board the vessel other than—

"(i) the owner;

"(ii) a representative of the owner;

"(iii) the master;

"(iv) a bona fide member of the crew engaged in the business of the vessel who has contributed no consideration for carriage on board and is paid for services on board;

"(v) an employee of the owner, or of a subcontractor to the owner, employed in the business of the owner;

"(vi) a charterer of the vessel;

"(vii) a person with the same relationship to a charterer as a person in (ii) or (v) above has to an owner;

"(viii) a person employed in some phase of exploration, exploitation, or production of offshore mineral or energy resources served by the vessel; or

"(ix) a bona fide guest who has contributed no consideration for carriage on board.

"(5) The terms 'freight for hire' in section 4426 of this title and 'freight carrying vessel' in the Act of May 10, 1956 (70 Stat. 151), as amended (46 U.S.C. 390–390g), have no application to an offshore supply vessel.

"(6) Each new offshore supply vessel is subject to inspection as follows:

"(i) a vessel of above fifteen and less than one hundred gross tons is subject to inspection to the same extent as a freight carrying vessel as defined in the Act of May 10, 1956 (70 Stat. 151), as amended (46 U.S.C. 390–390g).

"(ii) a vessel of one hundred gross tons and less than five hundred gross tons is subject to inspection under this title to the same extent as a vessel propelled in whole or in part by steam.

In issuing regulations for the inspection of these vessels, the Secretary of the department in which the Coast Guard is operating shall take into consideration the characteristics of these vessels, their method of operations, and the service in which they are engaged.

"(7) Each existing offshore supply vessel is likewise subject to inspection under this title or under the Act of May 10, 1956 (70 Stat. 151), as amended (46 U.S.C. 390–390g), as applicable. Such a vessel, however, shall not be subject to rules, regulations, or standards for major structural or major equipment requirements unless compliance therewith is necessary in order to remove an especially hazardous condition. Each exist-

ing offshore supply vessel that does not possess a valid certificate of inspection issued by the Secretary shall be registered by its owner with the Secretary within three months of the date of enactment of this section. The Secretary shall cause the initial inspection of each such vessel to be made within two years of its registration date. Upon registration each existing offshore supply vessel shall be held to be in compliance with all applicable vessel inspection laws pending verification by actual inspection. The Secretary shall establish a reasonable time schedule to bring vessels subject to this subsection into compliance with applicable requirements. For the interim period, between registration and initial inspection, the Secretary shall prescribe a manning level for each such vessel in accordance with applicable law. On or after January 1, 1989, each existing offshore supply vessel that is twenty years or older shall be subject to inspection under subsection (6) of this section.

"(8) No offshore supply vessel may be navigated without a licensed deck officer and, if over two hundred gross tons, without a licensed engineer.

"(9) No offshore supply vessel operating on January 1, 1979, under a certificate of inspection issued by the Secretary shall be subjected to any higher standards or new inspection requirements as a result of the enactment of this section.

"(10) No offshore supply vessel may carry passengers except in an emergency. An offshore supply vessel that takes aboard one or more passengers in an emergency does not alter its character as an offshore supply vessel under this section.".

SEC. 2. Section 4438 of the Revised Statutes (46 U.S.C. 224), is amended to read as follows:

"SEC. 4438. The Secretary of the department in which the Coast Guard is operating shall license and classify the masters, chief mates, and second and third mates, engineers and pilots of all vessels subject to the vessel inspection or manning laws of the United States. In classifying licensed officers under this section, the Secretary shall, where possible, establish suitable career patterns, and service and other qualifying requirements, appropriate to the particular service or industry in which the offices are engaged. It shall be unlawful to employ any person or for any person to serve as a master, mate, engineer, or pilot of any such vessel, when required to be licensed by the laws of the United States, or the regulations issued in implementation thereof, who is not licensed by the Secretary. Anyone violating this section is liable to a civil penalty of not more than $500 for each offense. Each day of a continuing violation shall constitute a separate offense.".

SEC. 3. The Act of May 10, 1956 (70 Stat. 151), as amended (46 U.S.C. 390–390g), is amended as follows:

(1) Section 1(a) is amended by striking the words "passenger-carrying".

(2) Section 1(b) is amended to read as follows:

"(b) The term 'passenger-carrying vessel' means any vessel which carries more than six passengers, and which is (1) propelled in whole or in part by steam or by any form of mechanical or electrical power and is of less than one hundred gross tons; (2) propelled by sail and is of seven hundred gross tons or less; or (3) non-self-propelled and is of one hundred gross tons or less; except any public vessel of the United States or of any foreign state, or any lifeboat forming part of a vessels' lifesaving equipment. The term includes (1) a domestic vessel operating on the navigable waters of the United States, or on the high seas outside of those waters and within the normal operating range of the vessel, and (2) a foreign vessel departing from a port of the United States.".

(3) Section 1 is amended by adding a new subsection as follows:

"(e) The term 'freight-carrying vessel' means a vessel which carries freight for hire, is propelled by machinery, and is above fifteen gross tons and less than one hundred gross tons. The term does not include (1) vessels propelled by machinery other than steam and engaged in fishing as a regular business, or (2) vessels of foreign registry.".

(4) Section 2(a) is amended by striking the words "passenger-carrying vessel," and inserting in lieu thereof the words "passenger-carrying vessel and each freight-carrying vessel,".

(5) Section 3 is amended by striking the words "passenger-carrying vessels" and inserting in lieu thereof the words "passenger-carrying vessels and freight-carrying vessels".

(6) Sections 4 and 5 are amended by striking in four places the words "passenger-carrying vessel" and inserting in lieu thereof the words "passenger-carrying vessel or freight-carrying vessel".

SEC. 4. Section 13 of the Act of March 4, 1915 (38 Stat. 1169), as amended (46 U.S.C. 672), is amended to read as follows:

"SEC. 13. (a) All vessels of one hundred gross tons or over shall meet the requirements of this section and the regulations issued hereunder by the Secretary of the department in which the Coast Guard is operating, hereinafter referred to as 'Secretary', except—

"(1) vessels navigating exclusively on the rivers and smaller inland lakes of the United States; and

"(2) non-self-propelled vessels, other than barges subject to section 10 of the Act of May 28, 1908 (35 Stat. 428), as amended (46 U.S.C. 395), or section 4417(a) of the Revised Statutes (46 U.S.C. 391a).

"(b) Every person may be rated an able seaman and qualified to serve as such who is eighteen years of age or older; meets the regulatory requirements with respect to sight, hearing, and physical condition; meets the applicable professional knowledge examination or educational requirements; and meets the following applicable service requirements:

"(1) 'Able seaman' qualified for unlimited service on any vessel and on any waters shall have at least three years' service on deck on vessels operating on the oceans or the Great Lakes.

"(2) 'Able seaman-limited' qualified for limited service on any vessel on any waters shall have at least eighteen months' service on deck on vessels subject to this section operating on the oceans or the navigable waters of the United States including the Great Lakes.

"(3) 'Able seaman-special' qualified for special service on any vessel on any waters shall have at least twelve months' service on deck on vessels operating on the oceans or the navigable waters of the United States including the Great Lakes.

"(c) 'Service on deck' means service in the deck department in work related to the work usually performed aboard vessels by able seamen and may include service on decked fishing vessels and on public vessels of the United States. Three hundred and sixty days shall be equal to one year's service, and a day shall be equal to eight hours of labor or duty. A graduate of a school ship approved by the Secretary may be rated as able seaman upon satisfactory completion of the course of instruction. The satisfactory completion of other relevant training programs approved by the Secretary may be substituted for not more than one-third of the required service on deck in accordance with applicable regulations. These regulations may not allow substitution for time spent in these training programs for the required service on deck in a ratio greater than three to one.

"(d) No person below the rating of able seaman shall be permitted at the wheel in ports, harbors, and other waters subject to congested vessel traffic; or under conditions of reduced visibility, adverse weather, or other hazardous circumstances.

"(e) No vessel subject to this section may depart from any port of the United States unless the following provisions are complied with:

"(1) Not less than 75 per centum of the crew in each department are able to understand any order given by the officers of the vessel.

"(2) At least 65 per centum of the deck crew, exclusive of licensed officers, are of a rating not less than able seaman. This percentage may be reduced to 50 per centum on vessels that are permitted by the Act of March 4, 1915 (38 Stat. 1164), as amended (46 U.S.C. 673), to maintain a two watch system. Able seamen shall not be required on tugs and towboats operating on the bays and sounds connected directly with the ocean.

"(f) Employment of persons rated as able seaman under subsection (b) of this section shall be in accordance with the following scale:

"(1) Persons qualified as able seaman may constitute the entire complement of able seamen required on any vessel.

"(2) Persons qualified as able seaman-limited may constitute the entire complement of able seamen required on a vessel of less than one thousand six hundred gross tons or on a vessel operating on the Great Lakes and the Saint Lawrence River as far east as Sept Iles; persons qualified as able seaman-limited may constitute up to 50 per centum of the complement of able seamen required aboard other vessels.

"(3) Persons qualified as able seaman-special may constitute the entire complement of able seamen required on a vessel of five hundred gross tons or less, or on a seagoing barge, tug, or towboat and may constitute up to 50 per centum of the complement of able seamen required aboard other vessels.

"(4) In no case in which the service of able seaman-special is authorized for only a part of the required complement of able seaman aboard a vessel may be the combined percentage of persons so qualified be greater than 50 per centum of the required complement.

"(g) No vessel may be navigated unless all of the complement in her engine department above the rating of coal passer or wiper and below licensed officer shall be the holders of a certificate of service, attesting to proficiency as a qualified member of the engine department. An applicant for this rating shall have six months' service at sea in a rating at least equal to that of coal passer or wiper. A graduate of a school ship approved by the Secretary may be rated as a qualified member of the engine department upon satisfactory completion of the course of instruction. The satisfactory completion of other courses of instruction approved by the Secretary may be substituted for not more than one-half of the required service at sea in accordance with applicable regulations.

"(h) It is unlawful to employ any person, or for any person to serve aboard a vessel to which this section applies, other than a licensed officer, if that person does not have a certificate of service attesting to proficiency issued by the Secretary.

"(i) The Secretary shall issue regulations as may be necessary to carry out the provisions of this section. These regulations shall, among other things, establish procedures for the processing, verification, examination, and retention of records and affidavits related to the issuance of certificates of service attesting to proficiency.

"(j) Every master, person in charge, owner,

or operator who violates a provision of this section or of the regulations issued hereunder, and every vessel that is navigated in violation of this section or of the regulations issued hereunder is equally and severally liable to a civil penalty of not more than $500 for each offense.".

SEC. 5. The provisions of section 4 of the Act of June 25, 1936 (49 Stat. 1935), as amended (46 U.S.C. 660a), with respect to crew quarters; and section 4551 of the Revised Statutes of the United States (46 U.S.C. 643), shall not apply to non-self-propelled vessels, other than barges subject to section 10 of the Act of May 28, 1908 (35 Stat. 428), as amended (46 U.S.C. 395), or section 4417 (a) of the Revised Statutes (46 U.S.C. 391a).

SEC. 6. Section 2 of the Act of May 11, 1918 (40 Stat. 549; 46 U.S.C. 223), is further amended: (1) by adding immediately before the last clause, the following: "That an offshore supply vessel, as defined in section 4426a of the Revised Statutes shall, when on a voyage of less than six hundred miles, have on board and in her service one licensed mate, but if any such vessel is engaged on a voyage of six hundred miles or more, then such vessel shall have two licensed mates."; and (2) by striking in the last clause the reference "the Act of June Ninth, Nineteen Hundred and Ten," and inserting in lieu thereof "the Act of April 25, 1940, c. 155, 54 Stat. 163,".

SEC. 7. Section 2 of the Act of March 4, 1915 (38 Stat. 1164), as amended (46 U.S.C. 673), is amended by deleting from the last provisio the words "tugs and barges" and inserting in lieu thereof the following: "tugs, barges, and offshore supply vessels as defined in section 4426a of the Revised Statutes,".

SEC. 8. Section 4399 of the Revised Statutes (46 U.S.C. 361), is amended to read as follows:

"SEC. 4399. Every vessel propelled in whole or in part by steam and every vessel subject to inspection propelled by machinery other than steam is a steam vessel within the meaning of this title.".

SEC. 9. Section 1 of the Act of April 25, 1940 (54 Stat. 163; 46 U.S.C. 526–526t), is amended to read as follows: "That the word 'motorboat' where used in this Act includes every vessel propelled by machinery and not more than sixty-five feet in length except tugboats and towboats propelled by steam. The length shall be measured from end to end over the deck, excluding sheer.".

SEC. 10. The Secretary of the department in which the Coast Guard is operating may, for a period of two years after the effective date of this Act, issue a temporary license as master, mate, or engineer, or certificate of service as able seaman or qualified member of the engine department to any person who on or before January 1, 1979, was serving in such a capacity on board an offshore supply vessel as defined in section 4426a of the Revised Statutes. This license or certificate may be for a term no longer than three years. It may not be renewed nor may more than one such license or certificate be issued to any person, except for replacements occasioned by loss of a license or certificate. A person holding such a license or certificate may not serve under it on any vessel other than an offshore supply vessel. To qualify for a temporary license or certificate the person must apply to the Secretary within three months of the date of enactment of this Act. The Secretary shall acknowledge receipt of that application and advise the person of those positions in which he may serve pending issuance of a temporary license or certificate. Upon receipt of that acknowledgement the person shall be deemed to be in compliance with the appropriate statutes dealing with licensing or certification of merchant marine personnel pending issuance of the temporary license or certificate. Before issuing such a license or certificate, the Secretary shall satisfy himself that the applicant has sufficient qualifications and experience as to warrant the belief that the applicant's continued service in the position for which he is being licensed or certificated will be consistent with the safety of the vessel. Any temporary license, certificate, or acknowledgement of application issued under this subsection is subject to suspension and revocation on the same grounds and with like procedure as provided in section 4450 of the Revised Statutes.

SEC. 11. The following laws are repealed, except with respect to rights and duties that matured, penalties that were incurred, and proceedings that were begun before the date of enactment of this Act:

(a) the Acts of July 8, 1941, chapters 279 and 280 (55 Stat. 579), (46 U.S.C. 672–2 and 672–1, respectively);

(b) the Act of September 25, 1941 (55 Stat. 732); (46 U.S.C. 672b–1);

(c) the Act of June 16, 1938 (52 Stat. 753; 46 U.S.C. 672b, 660b, 643a, and 672c); and

(d) section 18 of the Act of April 25, 1940 (54 Stat. 166; 46 U.S.C. 526q).

The SPEAKER pro tempore. Is a second demanded?

Mr. McCLOSKEY. Mr. Speaker, I demand a second.

The SPEAKER pro tempore. Without objection, a second will be considered as ordered.

There was no objection.

The SPEAKER pro tempore. The gentleman from New York (Mr. BIAGGI) will be recognized for 20 minutes, and the gentleman from California (Mr. McCLOSKEY) will be recognized for 20 minutes.

The Chair recognizes the gentleman from New York (Mr. BIAGGI).

Mr. BIAGGI. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, H.R. 5164 is a multipurpose bill that deals with various facets of the laws governing the inspection and manning of merchant vessels. While certain provisions of the bill apply generally to the merchant marine and merchant marine personnel, H.R. 5164 primarily affects the smaller commercial vessels and especially those in the offshore mineral and oil exploration support industry.

The offshore mineral and oil support industry is an important segment of our merchant marine. It operates over 3,000 vessels and employs some 30,000 persons in support of offshore oil and energy exploration and production. The vessels used by this industry carry the supplies and personnel needed to service and operate the offshore oil and mineral exploration and production facilities. These vessels are diesel propelled and of less than 500 gross tons. They are generally engaged in short runs from their bases onshore to an offshore platform or between platforms. The bulk of the industry is centered in the Gulf of Mexico.

Several sections of the bill are directed at modifying the inspection and manning requirements applicable to the vessels used by this industry. These inspection and manning requirements, which are administered by the Coast Guard, have been a subject of controversy for several years as this industry has grown in size—and the Coast Guard has attempted to enforce the laws and regulations governing the vessels it operates.

Within the past 2 years, the difficulties the Coast Guard was having in enforcing the inspection and manning laws on offshore supply vessels were brought to our attention. At the same time, the industry asserted that it was suffering severe shortages of the qualified people needed to operate its vessels and that these shortages were in large part due to the inspection and manning laws and regulations administered by the Coast Guard. H.R. 5164 responds to both of those problems.

The chief thrust of H.R. 5164 is to eliminate those problems that made Coast Guard enforcement difficult—and to tailor the laws applicable to the vessels operated by the offshore industry to the particular conditions and operating characteristics of that industry.

In brief, the bill eliminates the passenger or freight for hire criteria in present law—which was a prime source of controversy—and subjects all offshore supply vessels to Coast Guard inspection and manning requirements. At the same time, the bill reduces some of the existing manning requirements for the vessels used in that industry. The bill also contains some transition provisions for existing vessels that are not now being inspected but that will be required to be inspected under the bill.

The net result will be to give the Coast Guard a statute to operate under that is clear and enforceable and that will make all offshore supply vessels subject to Coast Guard inspection. It will, in my opinion, result in improved safety standards for these vessels.

In addition to the provisions in the bill that are designed to maintain the viability of the offshore oil industry, the bill contains a general rewrite of the laws pertaining to able seamen.

This rewrite lowers the minimum age for able seamen—modifies and clarifies the classes of able seamen—and changes the experience and service requirements. The purpose of these changes is to establish a system that will result in a reasonable ladder for advancement of seagoing personnel based on experience levels. The changes made by this section are especially vital to the offshore oil supply industry and should materially aid in reducing the personnel shortages in that industry.

H.R. 5164 also modifies two other parts of the existing law governing small commercial vessels. One of these relates to the law applicable to vessels of under 100 gross tons. The bill clarifies the present law on the subject by establishing a uniform 100-gross-ton cutoff point. Vessels under that tonnage—carrying freight or more than six passengers for hire—would be inspected by the Coast Guard under the Small Passenger Carrying Vessel Act.

Vessels of 100 gross tons or over would be inspected under the general marine inspection statutes. In either case, the Coast Guard would continue to have broad authority to regulate these vessels for safety purposes.

The other modification is to the requirements for licensed engineers and deck officers on smaller vessels. At present, there is a statutory floor of 15 gross tons for vessels carrying freight for hire.

and a 15-gross-ton and over-65-feet-in-length criteria for vessels carrying passengers for hire. For vessels above these floors, the Coast Guard's general authority to prescribe manning is overridden—and a licensed engineer and deck officer are required.

In the bill as reported, the statutory floor is raised to 300 gross tons in both cases, thus giving the Coast Guard discretion—as to vessels up to that size—to decide whether the vessel needs a licensed engineer or deck officer. The Coast Guard will make that decision on a vessel-by-vessel basis after considering factors such as the size of the vessel, design, route, number of passengers, equipment on the vessel, hours of operation, and type of propulsion.

Above 300 gross tons, the flat requirement for a licensed engineer and licensed deck officer remains. The net result is to give the Coast Guard discretion as to those vessels between 100 and 300 gross tons. For the offshore mineral and oil support industry, there is an additional requirement that all offshore supply vessels of over 100 gross tons have a licensed deck officer and, if over 200 gross tons, a licensed engineer.

H.R. 5164 was developed after extensive hearings during which witnesses from all facets of the affected industries were heard.

The shortage of qualified personnel in the offshore industry was attested to by the Maritime Administration. The Coast Guard concurred in the existence of the shortage and testified that it was caused in part by the laws and regulations applicable to the industry. The Coast Guard aided the committee in developing this bill and in modernizing and clarifying the complicated statutes it amends.

In developing this bill, the committee has kept the goal of safety at sea firmly in mind. While the bill is a deregulation proposal to the extent that it removes some unnecessary requirements of present law and gives the Coast Guard greater administrative flexibility, I am convinced that its enactment will enhance safety at sea. When the laws are simpler and easier to enforce, they are more effective. That is the case here. H.R. 5164 modernizes the law and more closely tailors it to today's vessels and their operations.

The motion to suspend includes technical corrections and changes to the bill that were found to be necessary after the committee reported the bill out. These are on pages 15, 18, and 19 of the bill.

Mr. Speaker, H.R. 5164 is strongly supported by the administration. It was also supported by all the witnesses who testified, with the single exception of those representing organized maritime labor. While they agree with much of the bill, they are opposed to several of its provisions—especially those applicable to the offshore industry. We have carefully considered their problems with the bill—and, during its development, the bill was significantly modified to alleviate some of their objections to it.

For the information of the Members, after the bill was reported, it was found necessary to amend section 4 of the bill. The amendment would insure that vessels in the mineral and oil industry are manned by experienced seamen. It accomplishes this by deleting the special authorization that authorizes rating a person as an able seaman with 6 months' service for duty on offshore supply vessels. This amendment has been cleared with majority and minority committee members and is included in the bill under consideration.

In these days of potential oil cutoffs and energy shortages, I do not believe I have to remind Members of the necessity of maintaining the health of an industry that contributes significantly to our oil supplies. H.R. 5164 will help to do that. I urge its enactment.

□ 1340

Mr. McCLOSKEY. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I support the passage of H.R. 5164, in the form unanimously reported by the Merchant Marine and Fisheries Committee on March 19, 1980. The bill is designed to clarify and improve inspection and manning laws applicable to small commercial vessels, primarily those serving the offshore-supply industry.

Due to excessive manning and licensing requirements of existing laws which were drafted long ago for large oceangoing vessels, there is a severe shortage of personnel on these small vessels. The rigorous length of service and manning levels required for deep sea vessels engaged in foreign commerce are not necessary for safety on small vessels that primarily serve offshore rigs less than 50 miles from the coast.

The bill modifies the minimal requirements for licensed officers, engineers, and able seamen to make them in line with the particular vessel's type of service. For example, law now requires all seamen to have 3 years sea service before they may be rated as able-bodied seamen. The bill modifies that requirement to 18 months or 12 months, and, as originally enacted by the committee, to 6 months for vessels of less than 500 gross tons engaged in support of offshore mineral or energy exploration or production.

Under current law, some 3,000 small vessels are required to be inspected by the Coast Guard and others are not, largely depending on the legal fiction of whether or not they are "for hire"; that is, serving as common carriers. H.R. 5164 brings all small commercial vessels over 15 gross tons under Coast Guard inspection, but again the inspections standards are to take into consideration the characteristics of the vessels, their method of operations, and the service in which they engage.

Unless the Coast Guard determines it would be unsafe, existing vessels and personnel would be given a temporary "grandfathering" until they can be brought into compliance with the new standards.

This bill is supported strongly by the Coast Guard and the National Transportation Safety Board, two organizations specifically charged with overseeing marine safety. Under pressure from maritime labor, the chairman has agreed to delete the second sentence of section 13(b)(3) as originally reported out by the committee on March 19.

As the chairman of the full committee, the gentleman from New York (Mr. MURPHY), stated in his additional views in the report on H.R. 5164, he felt the 6-month service of ablebodied seamen on offshore oil supply vessels to be "inimical to the progressive positions pursued by organized labor." In the chairman's view, "They established an ominous precedent." I do not believe very many Members share this view, and I believe we could obtain the necessary two-thirds vote on the original bill.

The desire of organized maritime labor to preserve the ancient practice of featherbedding has twice been defeated in the full House, in recent years.

I suppose that we should not abandon 26½ pages of a good bill—one that at long last reforms an antiquated law over 100 years old—in order to insist on one sentence, however meritorious.

I regret, however, that maritime labor still feels it can muster one-third of the House merely by sounding the alarm.

I suspect that even if the maritime unions pulled out all the stops and brought maximum pressure to bear on the House, we would still be able to get a two-thirds majority in favor of suspending the rules and passing this bill as originally reported by the committee. The full Merchant Marine and Fisheries Committee, not exactly an enemy of maritime unions, was able to agree by much more than a two-thirds majority after hearing the evidence on both sides of this issue. I think the full House would do likewise.

Mr. Speaker, I reserve the remainder of my time.

Mr. BIAGGI. Mr. Speaker, I yield such time as he may consume to the gentleman from Louisiana (Mr. BREAUX), a very important member of the committee who has contributed substantially and who is thoroughly familiar with the needs of the merchant marine industry in the gulf.

Mr. BREAUX. I thank the gentleman from New York for yielding. If I have any time left, I will say that the bill that the committee has reported comes to the floor by unanimous vote of the full committee. I would like particularly to thank the chairman of the full committee, the gentleman from New York (Mr. MURPHY), and particularly the chairman of the subcommittee, the gentleman from New York (Mr. BIAGGI), for the work that they have done in negotiating and trying to bring to the floor today a fair package which solves the problem and yet still maintains the stability that this industry is known for.

Mr. Speaker, the bill which we are considering today has undergone an extensive series of hearings, drafting sessions, and compromises over the past year. It is a bill which enjoys broad consensus as reflected by the unanimous vote of 16 to 0 in subcommittee and another unanimous vote in the full Merchant Marine and Fisheries Committee.

The reason for this overwhelming support and unanimous agreement is simple—the bill corrects serious problems in a clear, pragmatic manner. The problems were well understood and the solutions were obvious. The problem which I am referring to relates to a severe shortage of personnel available for the offshore oil and gas industry. The reasons for these severe shortages are related to antiquated and excessive licensing, inspection, and manning requirements which were designed for large oceangoing vessels built earlier in the century. Small vessels servicing the offshore industry in the Gulf of Mexico and other areas were never intended to have such restrictive standards applied to them, and this bill will clarify that once and for all.

The U.S. Coast Guard clearly realizes that existing standards are not reasonable if applied to the offshore industry. As a matter of fact, they have not chosen to apply these standards to the industry and have relaxed the standards and entered into a number of "understandings" with the industry to liberally apply the law. While some of these understandings have worked, the members of our committee and the Coast Guard realize that this is no way to properly implement laws which the Congress adopts.

If the Coast Guard worked to apply existing law rigidly to the offshore industry, the Maritime Administration has indicated that 36 percent, or 1,038 offshore vessels would be put out of service. This would have a devastating impact on the energy production of our Nation.

The bill under consideration today would, for the first time, bring all small commercial vessels over 15 gross tons under Coast Guard inspection, licensing, and manning requirements. However, the small commercial vessels will no longer be automatically subject to the same requirements as supertankers and large oceangoing freighters. In other words, the bill would change existing law to apply more realistic standards to offshore vessels and legalize certain "understandings" between the Coast Guard and the industry.

I would like to take this opportunity to express my sincere appreciation to Chairman MURPHY and Chairman BIAGGI of the commitee for their unstinting effort in bringing this bill to this point in the legislative process. Very seldom have I seen Members work so hard to resolve issues and draft a bill which meets so many concerns expressed during public hearings. I want to especially thank Mr. BIAGGI for the fair and equitable manner in which he conducted hearings and markup on this piece of legislation. I believe we have a final product which all segments of the administration, the industry, and the maritime unions can live with.

The changes in the manning and inspection laws pragmatically change existing law to apply to the actual day-to-day operations of the offshore industry, while maintaining safety as a primary objective.

The Coast Guard will have complete discretion to determine specific requirements with respect to inspection, manning, and licensing. They will be able to take into consideration the characteristics of the vessel, their method of operation, and the service in which they are engaged in application of inspection laws. The alteration of certain manning and licensing requirements for personnel aboard the vessels will establish suitable career patterns appropriate to the particular service, or industry, in which the crew and officers are engaged.

While I agree wholeheartedly with the changes made in the bill, there is one aspect of the legislation with which I have reservations. The committee is increasing the seatime necessary for seamen to qualify as able-bodied seamen and I do not agree with the change. Essentially, the change would increase the seatime requirement from 6 months to 12 months on an offshore service vessel. I believe, and the Coast Guard agrees, that 6-months time is more than adequate to train these individuals. I am only agreeing today to accept this provision in order that the bill may be expeditiously considered by the House.

I believe that this particular provision is the keystone to this legislation since the offshore industry has been experiencing some of its most severe shortages with able-bodied seamen. Through the Coast Guard understandings, which have liberally applied existing law, a 12-month seatime is now presently applied. Therefore, I believe that an increase from 6 to 12 months, as is being proposed today in this bill, will not solve this aspect of the problem with the offshore industry.

With the exception of that one difference of opinion, I believe the bill is a worthy piece of legislation and one which will change and clarify existing law to the benefit of all concerned.

During the hearings some witnesses questioned whether any of the changes proposed in the bill would affect the safety of the crew aboard these offshore vessels. The committee felt that safety would actually be enhanced because of the pragmatic way in which standards would be applied. Since the committee adopted this position, correspondence has been received from the Chairman of the National Transportation Safety Board. Mr. James B. King, Chairman of the Safety Board stated to the committee in a letter that:

> We believe that your Committee's efforts in respect to the matter of small passenger and freight carrying vessels is highly timely and appropriate . . . to the degree that the proposed legislation is successful in unequivocally subjecting vessels engaged in the offshore marine service industry to Coast Guard regulations, an important safety need will have been met. It is clear that seeking this end has involved some tradeoffs which can be fairly characterized as a relaxation of existing statutory standards. As to these, a compelling case can be made that some existing standards no longer serve a useful purpose. As to others, we believe that regulatory action by the Coast Guard can provide substantially equivalent, if not superior, standards.

I believe that this statement by this esteemed group should finally put to rest any claims that this bill will relax the safety standards in an adverse manner. This is clearly not the case, and this should be part of the legislative history of this bill.

I urge Members to strongly support this corrective legislation.

Mr. BIAGGI. Mr. Speaker, I yield as much time as the gentleman may consume to the gentleman from Louisiana (Mr. LONG) who has evidenced substantial and lengthy interest in this issue.

Mr. LONG of Louisiana. Mr. Speaker, I rise in support of H.R. 5164, to amend small vessel inspection and manning laws.

This bill is the result of lengthy hearings and represents a reasonable compromise of a serious problem: The orderly growth of the support services of the offshore energy exploration and production industry, to which the safe operation and proper manning of small offshore vessels is vital. At issue are over 3,000 vessels and 30,000 employees, many of whom reside in south Louisiana.

As the growth of the offshore industry has boomed, the inspection and manning requirements applicable to these small vessels have become increasingly burdensome to meet. Under present law, the small commercial vessels are subject to the same requirements as supertankers and large ocean-going freighters. Adequate personnel have not been available to meet these requirements.

The law has simply not kept pace with the innovations of this new offshore maritime industry. The result has been an imprecise application of antiquated and outmoded inspection and manning laws so that the industry could continue to operate. Otherwise, because of shortages of personnel, the offshore vessels in operation would not be adequate to serve the needs of the offshore drilling platforms. The Martime Administration has indicated that more than one-third of the small-vessel offshore fleet would have to be laid up if the Coast Guard were to enforce the letter of the law.

Therefore, certain understandings have evolved between the Coast Guard and the industry. But new legislation tailored to the needs of what is really a new wrinkle in the maritime industry is the rational approach to the problem.

The keystone of the bill before us is flexibility for the Coast Guard in their application of the inspection and manning requirements. The emphasis of congressional intent is evenhandedness and a concentration on safety. H.R. 5164 brings all small commercial vessels over 15 gross tons under the inspection of the Coast Guard and subjects them to licensing and manning requirements. But under this legislation the requirements for small vessels will be distinguished from those requirements for supertankers. The bill is a reasonable and realistic approach that will encourage safe and efficient operation of our offshore fleet. The discretion of the Coast Guard in applying the new standards will be an improvement to both the safety practices and the economic health of the industry.

I support the efforts of my colleagues to bring this matter to a vote in the most expeditious way. Under the suspension procedure, however, no amendments are possible. To bring the bill to the floor this afternoon, I understand that a change was made on the time in training for qualification as ablebodied seaman-special. I prefer the earlier version of the legislation which would reduce the time required for this A.B. certification. I would hope that efforts will be made to return the earlier language on this point to H.R. 5164 before it is finally enacted into law.

Mr. Speaker, I salute my colleagues for the masterful way in which they have brought all parties together in resolving a complex issue. H.R. 5164 is a proud testament to the efficacy of the legislative process. The bill before us is an essential step to improve the viability of our offshore energy industry and in the direction of our national goal of enhanced domestic energy production.

Mr. McCLOSKEY. Mr. Speaker, I yield such time as he may consume to the gentleman from Alaska (Mr. YOUNG).

Mr. YOUNG of Alaska. Mr. Speaker, I rise in strong support of H.R. 5164. I want to compliment my chairman of this committee. I think this is a bill that will relieve many of the problems we have in the inspection of small vessels. Recognizing the concerns of the gentleman from Louisiana (Mr. LONG), I will be working with this gentleman and the chairman of the committee to see if we cannot solve some of these problems in the future.

○ Mr. ASHLEY. Mr. Speaker, H.R. 5164 amends several statutes administered by the Coast Guard that relate to the inspection and manning of small commercial vessels. These statutes, in general, state what types and classes of vessels are required to be inspected by the Coast Guard to insure their safety. They also provide for the licensing and certificating of the crews of vessels, and describe the numbers and qualifications of personnel that are required on various types and classes of vessels.

The marine safety statutes that H.R. 5164 amends are complicated and interrelated. Many of them originated in the early 1800's and in the mid-1930's. Their age and complexity have created difficult problems of interpretation and administration—especially as our merchant marine changes its character and the types of vessels it operates. H.R. 5164 addresses some of those problems.

During the past few years the Coast Guard has experienced difficulty with the enforcement of laws pertaining to the inspection and manning of offshore supply vessels. The offshore mineral and oil support industry has asserted that it has experienced serious shortages of qualified personnel needed to operate its vessels. The industry states that these shortages are due in part to the outdated inspection and manning laws and regulations administered by the Coast Guard.

The bill does address the various problems of the offshore mineral and oil industry, which is an important segment of our merchant marine. The industry operates over 3,000 vessels and employs 30,000 persons. Vessels used by this industry are diesel-propelled, are less than 500 gross tons, and are used for transportation of supplies and personnel.

H.R. 5164 also would make several changes in the laws governing able seamen and thus would affect the entire maritime industry. The bill will clarify and simplify existing statutes in this regard, while establishing a ladder for advancement based on experience levels.

H.R. 5164 will clarify the laws pertaining to both the inspection and manning of vessels under 100 gross tons. The bill will also modify the requirements for licensed engineers and deck officers. The present statute requires inspection only if the vessel is carrying freight or passengers for hire. H.R. 5164 will require that all offshore supply vessels be inspected by the Coast Guard.

The motion to suspend includes technical corrections and changes to the bill that were found to be necessary after the committee reported the bill out. These are on pages 15, 18, and 19 of the bill.

This bill was developed by the Subcommittee on Coast Guard and Navigation under the able chairmanship of my good friend. MARIO BIAGGI. I will yield to him at this time to present the bill more fully to the House.●

● Mr. MURPHY of New York. Mr. Speaker, H.R. 5164 is a bill to amend several statutes relating to inspection and manning requirements of small commercial vessels carrying passengers or freight for hire. The bill was the subject of extensive hearings before the Subcommittee on Coast Guard and Navigation and numerous consultations with members of the offshore mineral and oil support industry and representatives of the maritime labor unions. Major effort has been made to come to specific terms with these two groups and provide a bill that addresses the problems of the interests involved and offers viable solutions without sacrificing maritime safety.

H.R. 5164 addresses a number of problems in the inspection and manning of small commercial vessels that are less than 300 tons in size with particular emphasis on the offshore mineral and oil support industry. It modifies the requirements for licensed engineers and deck officers on these smaller vessels and makes a number of changes governing able seamen for all size vessels. The bill attempts to create a balance between the need for specific detailed requirements while allowing for Coast Guard discretion as to the regulation of these requirements.

The chief impact of H.R. 5164 will be on the offshore mineral and oil support industry, which is a growing segment of the merchant marine. Several sections of the bill are directed at modifying the inspection and manning requirements applicable to vessels used in this industry. As the industry has grown in size, these requirements have been a subject of controversy and have become increasingly difficult for the Coast Guard to enforce. The industry has asserted that it was suffering shortages of qualified people due to these laws. H.R. 5164 has attempted to respond to this problem and provide statutory language that is clear and enforceable, thus resulting in improved safety standards.

I must express concern about those provisions that amend the inspection and manning requirements of existing law so as to create, in effect, a special exception for the marine and oil support industry. In the first place, the bill raises the limit that vessels may operate without licensed officers from 15 to 300 gross tons without regard to the number of passengers, value of freight, or size of vessel. Second, the bill permits special licensing provisions for the mineral and oil support industry. Third, the bill changes the present requirements for able-bodied seamen aboard small vessels. Fourth, the proposal permits offshore supply vessels, regardless of size, to employ a two-watch system instead of the existing three-watch requirement. The provisions are inimical to the positions taken by organized labor and make it increasingly difficult to better working conditions and wages in the marine and oil supply industry. This, in my view, establishes a troublesome precedent.

I originally suggested a temporary 1-year moratorium on enforcement of existing laws with respect to the mineral and oil support industry in order to resolve the conflict between the views of the industry and organized labor. It can be argued that the reason for the manpower shortages in the Gulf of Mexico portion of the industry is the reluctance of the industry in that region to raise the level of wages and working conditions. The industry in the Northeastern United States has no such difficulty because the wages and conditions are superior to those in the gulf. It appears that the problem is not an inherent shortage of labor because of high standards but stems from conditions that are not on a level with the nonmaritime industries in the gulf coast area.

The insistence on a permanent exemption from these laws in the Gulf of Mexico mineral and oil support industry is a cause of concern. This legislation is seen by some as authorizing offshore supply vessels to navigate coastal waters with fatigued, undertrained, underexperienced, poorly qualified personnel working for substandard wages under difficult conditions.

I continue to believe that the 1-year moratorium on enforcement of existing laws is the preferred course of action. Nonetheless, the Committee on Merchant Marine and Fisheries has reported a bill that would change applicable law to ameliorate problems experienced by the Coast Guard and the offshore minerals and oil industry. I am sure that the committee will vigilantly follow the implementation of the provisions of H.R. 5164 so as to assure that maritime safety is not degraded thereby.●

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from New York (Mr. BIAGGI) that the House suspend the rules and pass the bill, H.R. 5164, as amended.

The question was taken; and (two-thirds having voted in favor thereof), the rules were suspended and the bill, as amended, was passed.

A motion to reconsider was laid on the table.

House Resolution 700 was laid on the table.

GENERAL LEAVE

Mr. BIAGGI. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the bill just passed, H.R. 5164.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York?

There was no objection.

MARITIME EDUCATION AND TRAINING ACT OF 1980

Mr. AuCOIN. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 5451) to provide for education and training in maritime subjects, as amended.

The Clerk read as follows:

H.R. 5451

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Maritime Education and Training Act of 1980".

SEC. 2. The Merchant Marine Act, 1936 (46 U.S.C. 1101, et seq.), is amended by adding after title XII the following new title:

"TITLE XIII—MARITIME EDUCATION AND TRAINING

"SEC. 1301. It is the policy of the United States that merchant marine vessels of the United States should be operated by highly trained and efficient citizens of the United States and that the United States Navy and the merchant marine of the United States should work closely together to promote the maximum integration of the total seapower forces of the United States. In furtherance of this policy—

"(1) the Secretary of Commerce is autnorized to take the steps necessary to provide for the education and training of citizens of the United States who are capable of providing for the safe and efficient operation of the merchant marine of the United States at all times and as a naval and military auxiliary in time of war or national emergency; and

"(2) the Secretary of Navy, in cooperation with the Assistant Secretary of Commerce for Maritime Affairs and the head of each State maritime academy, shall assure that the training of future merchant marine officers at the United States Merchant Marine Academy and at the State maritime academies includes programs for naval science training in the operation of merchant marine vessels as a naval and military auxiliary and that naval officer training programs for the training of future officers, insofar as possible, be maintained at designated maritime academies consistent with United States Navy standards and needs.

"SEC. 1302. For purposes of this title—

"(1) the term 'Secretary' means the Secretary of Commerce;

"(2) the term 'Academy' means the United States Merchant Marine Academy located at Kings Point, New York which is maintained under section 1303;

"(3) the term 'State maritime academy' means any maritime academy or college which is assisted under section 1304 and which is sponsored by any State or territory of the United States or, in the case of a regional maritime academy or college, sponsored by any group of States or territories of the United States, or both; and

"(4) the term 'merchant marine officer' means any person who holds a license issued by the United States Coast Guard which authorizes service—

"(A) as a master, mate, or pilot on board any vessel of 1,000 gross tons or more which is documented under the laws of the United States and which operates on the oceans or on the Great Lakes; or

"(B) as an engineer officer on board any vessel propelled by machinery of 4,000 horsepower or more which is documented under the laws of the United States.

"SEC. 1303. (a) The Secretary shall maintain the Academy for providing instruction to individuals to prepare them for service in the merchant marine of the United States.

"(b)(1) Each Senator and Member of the House of Representatives, the Panama Canal Commission, the Governor of the Northern Mariana Islands, and the Governor of American Samoa (until a delegate to the House of Representatives from American Samoa takes office) may nominate for appointment as a cadet at the Academy any individual who is—

"(A) a citizen of the United States or a national of the United States; and

"(B) a resident of the State represented by such Senator if the individual is nominated by a Senator, a resident of the State in which the congressional district represented by such Member of the House of Representatives is located if the individual is nominated by a Member of the House of Representatives (or a resident of Guam, the Virgin Islands, the District of Columbia, the Commonwealth of Puerto Rico, or American Samoa if the individual is nominated by a Member of the House of Representatives repsenting such area), a resident of the area or installation described in paragraph (3)(A)(ii), or a son or daughter of the personnel described in such paragraph, if the individual is nominated by the Panama Canal Commission, a resident of the Northern Mariana Islands if the individual is nominated by the Governor of the Northern Mariana Islands, or a resident of American Samoa if the individual is nominated by the Governor of American Samoa.

"(2)(A) The Secretary shall establish minimum requirements for the individuals nominated pursuant to paragraph (1) and shall establish a system of competition for the selection of individuals qualified for appointment as cadets at the Academy.

"(B) Such system of competition shall determine the relative merit of appointing each such individual to the Academy through the use of competitive examinations, an assessment of the academic background of the individual, and such other factors as are considered effective indicators of motivation and the probability of successful completion of training at the Academy.

"(3)(A) Qualified individuals nominated pursuant to paragraph (1) shall be selected each year for appointments as cadets at the Academy to fill positions allocated as follows:

"(i) Positions shall be allocated each year for individuals who are residents of each State and are nominated by the Members of the Congress from such State in proportion to the representation in Congress from that State.

"(ii) Two positions shall be allocated each year for individuals nominated by the Panama Canal Commission who are sons or daughters of residents of any area or installation located in the Republic of Panama which is made available to the United States pursuant to the Panama Canal Treaty of 1977, the agreements relating to and implementing that Treaty, signed September 7, 1977, and the Agreement Between the United States of America and the Republic of Panama Concerning Air Traffic Control and Related Services, concluded January 8, 1979, and sons or daughters of personnel of the United States Government and the Panama Canal Commission residing in the Republic of Panama, nominated by the Panama Canal Commission.

"(iii) One position shall be allocated each year for an individual who is a resident of Guam and is nominated by the Delegate to the House of Representatives from Guam.

"(iv) One position shall be allocated each year for an individual who is a resident of the Virgin Islands and is nominated by the Delegate to the House of Representatives from the Virgin Islands.

"(v) One position shall be allocated each year for an individual who is a resident of the Northern Mariana Islands and is nominated by the Governor of the Northern Mariana Islands.

"(vi) One position shall be allocated each year for an individual who is a resident of American Samoa and is nominated by the Governor of American Samoa (until a delegate to the House of Representatives from American Samoa takes office).

"(vii) Four positions shall be allocated each year for individuals who are residents of the District of Columbia and are nominated by the Delegate to the House of Representatives from the District of Columbia.

"(viii) One position shall be allocated each year for an individual who is a resident of the Commonwealth of Puerto Rico and is nominated by the Resident Commissioner to the United States from Puerto Rico.

"(B) The Secretary shall make appointments of qualified individuals to fill the positions allocated pursuant to subparagraph (A) (from among the individuals nominated pursuant to paragraph (1)) in the order of merit determined pursuant to paragraph (2)(B) among residents of each State, Guam, the Virgin Islands, the Northern Mariana Islands, American Samoa, the District of Columbia, and the Commonwealth of Puerto Rico and among individuals nominated by the Panama Canal Commission.

"(C) If positions are not filled after the appointments are made pursuant to subparagraph (B), the Secretary shall make appointments of qualified individuals to fill such positions from among all individuals nominated pursuant to paragraph (1) in the order of merit determined pursuant to paragraph (2)(B) among all such individuals.

"(D) In addition, the Secretary may each year appoint without competition as cadets at the Academy not more than 40 qualified individuals possessing qualities deemed to be of special value to the Academy. In making such appointments the Secretary shall attempt to achieve a national demographic balance at the Academy.

"(E) No preference shall be granted in selecting individuals for appointment as cadets at the Academy because one or more members of the immediate family of any such individual are alumni of the Academy.

"(F) Any citizen of the United States selected for appointment pursuant to this paragraph must agree to apply for midshipman status in the United States Naval Reserve (including the Merchant Marine Reserve, United States Naval Reserve) before being appointed as a cadet at the Academy.

"(G) For purposes of this paragraph, the term 'State' means the several States.

"(4)(A) In addition to paragraph (3), the Secretary may permit, upon designation by the Secretary of the Interior, individuals from the Trust Territory of the Pacific Islands to receive instruction at the Academy.

"(B) Not more than 4 individuals may receive instruction under this paragraph at any one time.

"(C) Any individual receiving instruction under the authority of this paragraph shall receive the same allowances and shall be sub-

ject to the same rules and regulations governing admission, attendance, discipline, resignation, discharge, dismissal, and graduation as cadets at the Academy appointed from the United States, subject to such exceptions as shall be jointly agreed upon by the Secretary and the Secretary of the Interior.

"(5)(A) In addition to paragraphs (3) and (4), the President may designate individuals from nations located in the Western Hemisphere other than the United States to receive instruction at the Academy.

"(B) Not more than 12 individuals may receive instruction under this paragraph at any one time, and not more than 2 individuals receiving instruction under this paragraph at any one time may be from the same nation.

"(C) Any individual receiving instruction under this subparagraph is entitled to the same allowances and shall be subject to the same rules and regulations governing admission, attendance, discipline, resignation, discharge, dismissal, and graduation as cadets at the Academy appointed from the United States.

"(6)(A) In addition to paragraphs (3), (4), and (5), the Secretary may permit, upon approval of the Secretary of State, individuals from nations other than the United States to receive instruction at the Academy.

"(B) Not more than 30 individuals may receive instruction under this paragraph at any one time.

"(C) The Secretary shall insure that each nation from which an individual comes to receive instruction under this paragraph shall reimburse the Secretary for the cost of such instruction (including the same allowances as received by cadets at the Academy appointed from the United States) as determined by the Secretary.

"(D) Any individual receiving instruction at the Academy under this paragraph shall be subject to the same rules and regulations governing admission, attendance, discipline, resignation, discharge, dismissal, and graduation as cadets at the Academy appointed from the United States.

"(7) Any individual appointed as a cadet to the Academy under paragraph (3), or receiving instruction at the Academy under paragraph (4), (5), or (6), is not entitled to hold any license authorizing service on any merchant marine vessel of the United States solely by reason of graduation from the Academy.

"(c) Any citizen of the United States who is appointed as a cadet at the Academy may be appointed by the Secretary of the Navy as a midshipman in the United States Naval Reserve (including the Merchant Marine Reserve, United States Naval Reserve).

"(d) The Secretary shall provide to any cadet at the Academy all required uniforms and textbooks and allowances for transportation (including reimbursement of traveling expenses) while traveling under orders as a cadet of the Academy.

"(e)(1) Each individual appointed as a cadet at the Academy after the date occurring 6 months after the effective date of the Maritime Education and Training Act of 1980, who is a citizen of the United States, shall as a condition of appointment to the Academy sign an agreement committing such individual—

"(A) to complete the course of instruction at the Academy, unless the individual is separated by the Academy;

"(B) to fulfill the requirements for a license as an officer in the merchant marine of the United States on or before the date of graduation from the Academy of such individual;

"(C) to maintain a license as an officer in the merchant marine of the United States for at least 6 years following the date of graduation from the Academy of such individual;

"(D) to apply for an appointment as, to accept if tendered an appointment as, and to serve as a commissioned officer in the United States Naval Reserve (including the Merchant Marine Reserve, United States Naval Reserve), the United States Coast Guard Reserve, or any other reserve unit of an armed force of the United States, for at least 6 years following the date of graduation from the Academy of such individual;

"(E) to serve the foreign and domestic commerce and the national defense of the United States for at least 5 years following the date of graduation from the Academy—

"(i) as a merchant marine officer serving on vessels documented under the laws of the United States or on vessels owned and operated by the United States or by any State or territory of the United States;

"(ii) as an employee in a United States maritime-related industry, profession, or marine science (as determined by the Secretary), if the Secretary determines that service under clause (i) is not available to such individual;

"(iii) as a commissioned officer on active duty in an armed force of the United States or in the National Oceanic and Atmospheric Administration; or

"(iv) by combining the services specified in clauses (i), (ii), and (iii); and

"(F) to report to the Secretary on the compliance by the individual to this paragraph.

"(2) If the Secretary determines that any individual who has attended the Academy for not less than 2 years has failed to fulfill the part of the agreement (required by paragraph (1)) described in paragraph (1)(A), such individual may be ordered by the Secretary of the Navy to active duty in the United States Navy to serve for a period of time not to exceed 2 years. In case of hardship as determined by the Secretary, the Secretary may waive this paragraph.

"(3) If the Secretary determines that any individual has failed to fulfill any part of the agreement (required by paragraph (1)) described in subparagraphs (B), (C), (D), (E), or (F) of paragraph (1), such individual may be ordered to active duty to serve a period of time not less than 3 years and not more than the unexpired portion (as determined by the Secretary) of the service required by subparagraph (E) of such paragraph. The Secretary, in consultation with the Secretary of Defense and the Secretary of Transportation, shall determine in which service the individual shall be ordered to active duty to serve such period of time. In cases of hardship as determined by the Secretary, the Secretary may waive this paragraph.

"(4) The Secretary may defer the service commitment of any individual pursuant to subparagraph (E) of paragraph (1) (as specified in the agreement required by such paragraph) for a period of not more than 2 years if such individual is engaged in a graduate course of study approved by the Secretary, except that any deferment of service as a commissioned officer pursuant to paragraph (1)(E) must be approved by the Secretary of the military department (including the Secretary of the department in which the United States Coast Guard is operating with respect to the United States Coast Guard and the Secretary of Commerce with respect to the National Oceanic and Atmospheric Administration) which has jurisdiction over such service.

"(f) The Secretary may provide for the training of cadets at the Academy—

"(1) on vessels owned or subsidized by the United States;

"(2) on other vessels documented under the laws of the United States if the owner of any such vessel cooperates in such use; and

"(3) in shipyards or plants and with any industrial or educational organizations.

"(g) The Superintendent of the Academy may confer the degree of bachelor of science upon any individual who has met the conditions prescribed by the Secretary and who, if a citizen of the United States, has passed the examination for a merchant marine officer's license. No individual may be denied a degree under this subsection because the individual is not permitted to take such examination solely because of physicial disqualification.

"(h)(1) A Board of Visitors to the Academy shall be established to visit the Academy annually on a date determined by the Secretary and to make recommendations on the operation of the Academy.

"(2) The Board shall be composed of—

"(A) 2 Senators appointed by the Chairman of the Commerce, Science, and Transportation Committee of the Senate;

"(B) 3 Members of the House of Representatives appointed by the chairman of the Merchant Marine and Fisheries Committee of the House of Representatives;

"(C) 1 Senator appointed by the Vice President;

"(D) 1 Member of the House of Representatives appointed by the Speaker of the House of Representatives; and

"(E) the chairman of the Commerce, Science, and Transportation Committee of the Senate and the chairman of the Merchant Marine and Fisheries Committee of the House of Representatives, as ex officio members.

"(3) Whenever a member of the Board is unable to attend the annual meeting provided in paragraph (1), another individual may be appointed in the manner provided by paragraph (2) as a substitute for such member.

"(4) The Chairman of the Commerce, Science, and Transportation Committee of the Senate and the Merchant Marine and Fisheries Committee of the House of Representatives may designate staff members of such committees to serve without reimbursement as staff for the Board.

"(5) While away from their homes or regular places of business in the performance of services for the Board, members of the Board and any staff members designated under paragraph (4) shall be allowed travel expenses, including per diem in lieu of subsistence, in the same manner as persons employed intermittently in the Government service are allowed expenses under section 5703 of title 5, United States Code.

"(i)(1) An Advisory Board to the Academy shall be established to visit the Academy at least once during each academic year, for the purpose of examining the course of instruction and management of the Academy and advising the Assistant Secretary of Commerce for Maritime Affairs and the Superintendent of the Academy.

"(2) The Advisory Board shall be composed of not more than 7 persons of distinction in education and other fields relating to the Academy who shall be appointed by the Secretary for terms not to exceed 3 years and may be reappointed.

"(3) The Secretary shall appoint a chairman from among the members of the Advisory Board.

"(4) While away from their homes or regular places of business in the performance of service for the Advisory Board, members of the Advisory Board shall be allowed travel expenses, including per diem in lieu of subsistence, in the same manner as persons employed intermittently in the Government service are allowed expenses under section 5703 of title 5, United States Code.

"(5) The Federal Advisory Committee Act (5 U.S.C. App. 1 et seq.) shall not apply

to the Advisory Board established pursuant to this subsection.

"SEC. 1304. (a) The Secretary shall cooperate with and assist any State maritime academy in providing instruction to individuals to prepare them for service in the merchant marine of the United States.

"(b) The Governors of all States or territories of the United States, or both, cooperating to sponsor a regional maritime academy shall designate in writing one State or territory of the United States, from among the sponsoring States or territories, or both, to conduct the affairs of such regional maritime academy. Any regional maritime academy shall be eligible for assistance from the Federal Government on the same basis as any State maritime academy sponsored by a single State or territory of the United States.

"(c)(1)(A) The Secretary may furnish for training purposes any suitable vessel under the control of the Secretary or provided under subparagraph (B), or construct and furnish a suitable vessel if such a vessel is not available, to any State maritime academy meeting the requirements of subsection (f)(1). Any such vessel—

"(i) shall be repaired, reconditioned, and equipped (including supplying all apparel, charts, books, and instruments of navigation) as necessary for use as a training ship;

"(ii) shall be furnished to such State maritime academy only after application for such vessel is made in writing by the Governor of the State or territory sponsoring such State maritime academy or, with respect to a regional maritime academy the Governor of the State or territory designated pursuant to subsection (b);

"(iii) shall be furnished to such State maritime academy only if a suitable port for the safe mooring of such vessel is available while it is being used by such academy;

"(iv) shall be maintained in good repair by the Secretary; and

"(v) shall remain the property of the United States.

"(B) Any department or agency of the United States may provide to the Secretary to be furnished to any State maritime academy any vessel (including equipment) which is suitable for the purposes of this paragraph and which can be provided without detriment to the service to which such vessel is assigned.

"(2) The Secretary may pay to any State maritime academy the amount of the costs of all fuel consumed by any vessel furnished under paragraph (1) while such vessel is being used for training purposes by such academy.

"(3)(A) The Secretary may provide for the training of individuals attending a State maritime academy—

"(i) on vessels owned or subsidized by the United States;

"(ii) on other vessels documented under the laws of the United States if the owner of any such vessel cooperates in such use; and

"(iii) in shipyards or plants and with any industrial or educational organizations.

"(B) While traveling under orders for purposes of receiving training under this paragraph, any individual who is attending a State maritime academy shall receive from the Secretary allowances for transportation (including reimbursement of traveling expenses) in accordance with any regulations promulgated by the Secretary.

"(d)(1) The Secretary may enter into an agreement, which shall be effective for not more than 4 years, with one State maritime academy (not including regional maritime academies) located in each State or territory of the United States which meets the requirements of subsection (f)(1), and with each regional maritime academy which meets the requirements of subsection (f)(1), to make annual payments to each such academy for the maintenance and support of such academy. The amount of each such annual payment shall be not less than the amount furnished to such academy for its maintenance and support by the State or territory in which such academy is located or, in the case of a regional maritime academy an amount equal to the amount furnished to such academy for its maintenance and support by all States or territories, or both, cooperating to support such academy, but shall not exceed $25,000, or $100,000 if such academy meets the requirements of subsection (f)(2).

"(2) The Secretary shall provide to each State maritime academy guidance and assistance in developing courses on the operation and maintenance of new vessels, on equipment, and on innovations being introduced to the merchant marine of the United States.

"(e) Upon the request of the Governor of any State or territory, the President may detail, without reimbursement, any of the personnel of the United States Navy, the United States Coast Guard, or the United States Maritime Service to any State maritime academy to serve as superintendents, professors, lecturers, or instructors at such academy.

"(f)(1) As a condition to receiving any payment or the use of any vessel under this section, any State maritime academy shall—

"(A) provide courses of instruction on navigation, marine engineering (including steam and diesel propulsion), the operation and maintenance of new vessels and equipment, and innovations being introduced to the merchant marine of the United States; and

"(B) agree in writing to conform to such standards for courses, training facilities, admissions, and instruction as are established by the Secretary after consultation with the superintendents of the State maritime academies.

"(2) As a condition to receiving an annual payment of any amount in excess of $25,000 under subsection (d), a State maritime academy shall agree to admit to such academy each year a number of individuals who meet the admission requirements of such academy and who are citizens of the United States residing in States and territories of the United States other than the States or territories, or both, supporting such academy. The Secretary shall determine the number of individuals under this paragraph for each State maritime academy so that such number does not exceed one-third of the total number of individuals attending such academy at any time.

"(g)(1) The Secretary may enter into an agreement, which shall be effective for not more than 4 academic years, with any individual, who is a citizen of the United States and is attending a State maritime academy which entered into an agreement with the Secretary under subsection (d)(1), to make student incentive payments to such individual, which payments shall be in amounts equaling $1,200 for each academic year and which payments shall be—

"(A) allocated among the various State maritime academies in a fair and equitable manner;

"(B) used to assist the individual in paying the cost of uniforms, books, and subsistence; and

"(C) paid by the Secretary to the individual in such payments as the Secretary shall prescribe while such individual is attending such academy.

"(2) Each agreement entered into under paragraph (1) shall require the individual to apply for midshipman status in the United States Naval Reserve (including the Merchant Marine Reserve, United States Naval Reserve) before receiving any student incentive payments under this subsection.

"(3) Each agreement entered into under paragraph (1) shall obligate the individual receiving student incentive payments under the agreement—

"(A) to complete the course of instruction at the State maritime academy which the individual is attending, unless the individual is separated by such academy;

"(B) to take the examination for a license as an officer in the merchant marine of the United States on or before the date of graduation from such State maritime academy of such individual and to fulfill the requirements for such license not later than 3 months after such graduation date;

"(C) to maintain a license as an officer in the merchant marine of the United States for at least 6 years following the date of graduation from such State maritime academy of such individual;

"(D) to apply for an appointment as, to accept if tendered an appointment as, and to serve as a commissioned officer in the United States Naval Reserve (including the Merchant Marine Reserve, United States Naval Reserve), the United States Coast Guard Reserve, or any other reserve unit of an armed force of the United States, for at least 6 years following the date of graduation from such State maritime academy of such individual;

"(E) to serve the foreign and domestic commerce and the national defense of the United States for at least 3 years following the date of graduation from the Academy—

"(i) as a merchant marine officer serving on vessels documented under the laws of the United States or on vessels owned and operated by the United States or by any State or territory of the United States;

"(ii) as an employee in a United States maritime-related industry, profession, or marine science (as determined by the Secretary), if the Secretary determines that service under clause (i) is not available to such individual;

"(iii) as a commissioned officer on active duty in an armed force of the United States or in the National Oceanic and Atmospheric Administration; or

"(iv) by combining the services specified in clauses (i), (ii), and (iii); and

"(F) to report to the Secretary on the compliance by the individual to this paragraph.

"(4) If the Secretary determines that any individual who has attended a State maritime academy for not less than 2 years has failed to fulfill the part of the agreement (required by paragraph (1)) described in paragraph (3)(A), such individual may be ordered by the Secretary of the Navy to active duty in the United States Navy to serve for a period of time not to exceed 2 years. In cases of hardship as determined by the Secretary, the Secretary may waive this paragraph.

"(5) If the Secretary determines that any individual has failed to fulfill any part of the agreement (required by paragraph (1)) described in subparagraphs (B), (C), (D), (E), or (F) of paragraph (3), such individual may be ordered to active duty to serve a period of time not less than 2 years and not more than the unexpired portion (as determined by the Secretary) of the service required by subparagraph (E) of such paragraph. The Secretary, in consultation with the Secretary of Defense and the Secretary of Transportation, shall determine in which service the individual shall be ordered to active duty to serve such period of time. In cases of hardship as determined by the Secretary, the Secretary may waive this paragraph.

"(6) The Secretary may defer the service commitment of any individual pursuant to subparagraph (E) of paragraph (3) (as specified in the agreement required by such

paragraph) for a period of not more than 2 years if such individual is engaged in a graduate course of study approved by the Secretary, except that any deferment of service as a commissioned officer pursuant to subparagraph (E) of such paragraph must be approved by the Secretary of the military department (including the Secretary of the department in which the United States Coast Guard is operating with respect to the United States Coast Guard and the Secretary of Commerce with respect to the National Oceanic and Atmospheric Administration) which has jurisdiction over such service.

"(7) This subsection shall apply only to individuals first entering a State maritime academy after the date occurring 6 months after the effective date of the Maritime Education and Training Act of 1980.

"(h) Any citizen of the United States attending a State maritime academy may be appointed by the Secretary of the Navy as a midshipman in the United States Naval Reserve (including the Merchant Marine Reserve, United States Naval Reserve).

"SEC. 1305. (a) The Secretary may provide additional training on maritime subjects, as the Secretary deems necessary, to supplement other training opportunities and may make any such training available to the personnel of the merchant marine of the United States and to individuals preparing for a career in the merchant marine of the United States.

"(b) The Secretary may prepare or purchase any equipment or supplies required for any training provided under subsection (a) and may contract with any person, partnership, firm, association, or corporation (without regard to section 3709 of the Revised Statutes of the United States (41 U.S.C. 5)) for the performance of any services deemed necessary by the Secretary in the preparation of any such equipment or supplies and in the supervision and administration of any such training.

"SEC. 1306. (a) The Secretary may establish and maintain a voluntary organization for the training of citizens of the United States to serve on merchant marine vessels of the United States to be known as the United States Maritime Service.

"(b) The Secretary may determine the number of individuals to be enrolled for training and reserve purposes in such service, to fix the rates of pay and allowances of such individuals without regard to the provisions of chapter 51 and subchapter III of chapter 53 of title 5, United States Code (relating to classification and General Schedule pay rates), to prescribe the course of study and the periods of training in such service, and to prescribe the uniform of such service and the rules governing the wearing and furnishing of such uniform.

"(c) The ranks, grades, and ratings for personnel of the United States Maritime Service shall be the same as are then prescribed for the personnel of the United States Coast Guard.

"SEC. 1307. (a) As used in this section, the term 'civilian nautical school' means any school operated and conducted in the United States (except the Academy maintained under section 1303, any State maritime academy assisted under section 1304, and any other school operated by the United States or any agency of the United States) which offers instruction to individuals quartered on board any vessel for the primary purpose of training them for service in the merchant marine.

"(b) Each civilian nautical school shall be subject to examination and inspection by the Secretary, and the Secretary may (under such rules and regulations as the Secretary may prescribe) provide for the rating and certification of such schools as to the adequacy of the course of instruction, the competency of the instructors, and the suitability of the equipment used by, or in connection with, such school.

"(c)(1) Any vessel or other floating equipment, other than a vessel of the United States Navy or the United States Coast Guard, used by or in connection with any civilian nautical school (whether such vessel or other floating equipment is being navigated or not) shall be subject to the vessel inspection laws of the United States under the same terms as is a passenger carrying vessel or a vessel carrying passengers for hire.

"(2) The Secretary of the department in which the United States Coast Guard is operating shall issue regulations to carry out the inspection of such vessels and floating equipment.

"(d) Whoever—

"(1) violates this section or any regulations promulgated to implement this section;

"(2) is an owner of a vessel or floating equipment which is in violation of the requirements of this section;

"(3) is an officer or member of the Board of Directors of a school, organization, association, partnership, or corporation which owns a vessel or floating equipment which is used in violation of the requirements of this section or which uses such a vessel or floating equipment in violation of this section,

shall be fined not more than $10,000 or imprisoned for not more than one year, or both, for each offense.

"SEC. 1308. (a) The Secretary shall establish such rules and regulations as may be necesary to carry out this title.

"(b) The Secretary may cooperate with and assist the Academy, any State maritime academy, and any nonprofit training institution which has been jointly approved by the Secretary and the Secretary of the department in which the United States Coast Guard is operating as offering training courses which meet Federal regulations for maritime training, by making vessels, shipboard equipment, and other marine equipment, owned by the United States which have been determined to be excess or surplus, available by gift, loan, sale, lease, or charter to such institution for instructional purposes on such terms as the Secretary deems appropriate.

"(c)(1) The Secretary may secure directly from any department or agency of the United States any information, facilities, or equipment, on a reimbursable basis, necessary to carry out this title.

"(2) Upon the request of the Secretary, the head of any department or agency of the United States (including any military department of the United States) may detail, on a reimbursable basis, any of the personnel of such department or agency to the Secretary to assist in carrying out this title.

"(d) To carry out this title, the Secretary may employ at the Academy any individual as a professor, lecturer, or instructor, without regard to the provisions of title 5, United States Code (governing appointments in the competitive service), and may pay such individual without regard to the provisions of chapter 51 and subchapter III of chapter 53 of such title (relating to classification and General Schedule pay rates).

"(e)(1) The Secretary of the department in which the United States Coast Guard is operating shall inspect, and prescribe regulations for the inspection of, any vessel of more than 15 gross tons, other than a vessel of the United States Navy or the United States Coast Guard, which is used primarily for training or instruction provided by the Academy under section 1303 or by a State maritime academy assisted under section 1304. Any such vessel shall not be subject to inspection under any other law or regulation requiring the inspection of such vessel by the United States Coast Guard.

"(2) Any inspection under paragraph (1) shall include inspections of lifesaving and firefighting equipment, structure and arrangement generally, safe loading, and living and working conditions.

"(3) Any regulations prescribed under paragraph (1) shall take into account the function, purpose, and use of such vessels, the routes of such vessels, and the number of individuals who may be carried on such vessels.

"(4) Any vessel which is described in paragraph (1) may not be used in connection with any training or instruction provided by the Academy under section 1303 or by a State maritime academy assisted under section 1304 as long as such vessel is in violation of any regulations prescribed pursuant to this subsection or does not pass any inspection conducted pursuant to this subsection.

"(5) Whoever—

"(A) refuses to allow, or impedes or interferes with any inspection required by this subsection; or

"(B) violates any regulations prescribed under this subsection,

shall be fined not more than $10,000 or imprisoned for not more than one year, or both, for each offense.".

SEC. 3. (a) Section 209(b) of the Merchant Marine Act, 1936 (46 U.S.C. 1119(b)) is amended—

(1) by striking out "State Marine Schools" in clause (7) and inserting in lieu thereof "State maritime academies under section 1304 of this Act";

(2) by striking out "extension and correspondence courses authorized under section 216(c) of this Act; and" in clause (9) and inserting in lieu thereof "additional training provided under section 1305 of this Act;";

(3) by redesignating clause (10) as clause (11); and

(4) by inserting after clause (9) the following new clause:

"(10) expenses necessary to carry out title XIII of this Act; and".

(b) Section 905 of the Merchant Marine Act, 1936 (46 U.S.C. 1244), is amended by adding after subsection (e) the following new subsections:

"(f) The terms 'Representative' and 'Member of the Congress' include Delegates to the House of Representatives from the District of Columbia, Guam, and the Virgin Islands, and the Resident Commissioner to the House of Representatives from the Commonwealth of Puerto Rico.

"(g) The term 'United States' includes the District of Columbia, the Commonwealth of Puerto Rico, the Northern Mariana Islands, Guam, American Samoa, the Virgin Islands, and the areas and installations in the Republic of Panama made available to the United States pursuant to the Panama Canal Treaty of 1977, the agreements relating to and implementing that Treaty, signed September 7, 1977, and the Agreement Between the United States of America and the Republic of Panama Concerning Air Traffic Control and Related Services, concluded January 8, 1979.".

(c) The Act entitled "An Act to encourage the establishment of Public Marine Schools", approved June 20, 1874 (18 Stat. 121), is repealed.

(d) Section 216 of the Merchant Marine Act, 1936 (46 U.S.C. 1126) is repealed.

(e) The Act entitled "An Act to provide for the examination of civilian nautical schools and for the inspection of vessels used in connection therewith, and for other purposes", approved June 12, 1940 (46 U.S.C. 1331–1334, commonly known as the Civilian Nautical School Act), is repealed.

(f) The joint resolution entitled "Joint resolution to establish a Board of Visitors for the United States Merchant Marine Aca-

demy", approved May 11, 1944 (46 U.S.C. 1126c), is repealed.

(g) The Act entitled "An Act to authorize the course of instruction at the United States Merchant Marine Academy to be given to not exceeding twelve persons at a time from the American republics, other than the United States", approved August 9, 1946 (46 U.S.C. 1126b), is repealed.

(h) The Act entitled "An Act to create an Academic Advisory Board for the United States Merchant Marine Academy", approved July 22, 1947 (46 U.S.C. 1126d), is repealed.

(i) Section 34 of the Act entitled "An Act to revise, codify, and enact into law, title 10 of the United States Code entitled 'Armed Forces', and title 32 of the United States Code, entitled 'National Guard'," approved August 10, 1956 (46 U.S.C. 1126a–1), is repealed.

(j) The Maritime Academy Act of 1958 (46 U.S.C. 1381–1388) is repealed, except as provided in section 1304(g)(5) of title XIII of the Merchant Marine Act, 1936 (as added by section 2 of this Act).

(k) The Act entitled "An Act to authorize the Secretary of Interior to nominate citizens of the Trust Territory of the Pacific Islands to be cadets at the United States Merchant Marine Academy", approved September 14, 1961 (46 U.S.C. 1126b–1), is repealed.

SEC. 4. This Act shall take effect on October 1, 1981.

The SPEAKER pro tempore. Pursuant to the rule, a second is not required on this motion.

The gentleman from Oregon (Mr. AUCOIN) will be recognized for 20 minutes, and the gentleman from California (Mr. MCCLOSKEY) will be recognized for 20 minutes.

The Chair recognizes the gentleman from Oregon (Mr. AUCOIN).

Mr. AUCOIN. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, there have been longstanding problems associated with the Federal role in maritime education and training. The significance of this is that our U.S.-flag merchant vessels can never be better than the professional men and women who operate them.

The Federal Government operates the U.S. Merchant Marine Academy. It also provides assistance to the six State maritime academies. Students at these academies are trained to become licensed officers in the U.S.-flag merchant marine. The Federal Government also provides supplementary training and other assistance in the training of such personnel. The authority for these programs is currently set forth in various statutes passed piecemeal over the years, with little attention to maritime education in an overall sense. As a consequence, there have been problems with maritime education in the United States.

One of the most persistent criticisms is that the recipients of this Federal educational aid have no legal obligation to go to sea and perform the duties for which they have been trained at the expense of the taxpayers.

It was for reasons of this kind that the gentleman from New York, Mr. MURPHY, the chairman of the Merchant Marine Committee, appointed a special subcommittee in 1976 under the chairmanship of Congressman STUDDS of Massachusetts, to study these problems and make recommendations. Over a 2-year period, the Studds committee made an exhaustive study and issued a landmark report. I'm very pleased to have been able to continue this work in the 96th Congress as chairman of the Ad Hoc Select Committee on Maritime Education and Training.

Mr. Speaker, the bill before the House today is the culmination of almost 4 years of effort, and is the most comprehensive legislation concerning maritime education and training ever reported by the Merchant Marine and Fisheries Committee. H.R. 5451 enjoys the support of both the majority and minority members of the Merchant Marine and Fisheries Committee.

The bill would recodify the existing provisions of law concerning maritime education and training that are currently set forth in the Merchant Marine Act of 1936, the Maritime Academy Act of 1958, the Civilian Nautical School Act, and numerous other provisions of law scattered through title 46 of the United States Code. Additionally, certain new improvements have been made that are based upon our 4-year hearing record. Finally, the entire recodification has been set forth in the Merchant Marine Act of 1936 as a new title—title XIII.

Mr. Speaker, I will comment briefly on what I consider to be the major improvements that this bill will produce.

For the first time, recipients of Federal educational assistance at the U.S. Merchant Marine Academy and the State maritime academies will incur legal obligations for the support they have received. These obligations include the following:

First, to fulfill the requirements for a merchant marine officer's license, and to maintain this license for at least 6 years. This recognizes that the purpose of these schools is to train merchant marine offficers, and insures that the graduates obtain and maintain such a license.

Second, there is an obligation to serve the United States as an officer in the U.S.-flag merchant marine or as a commissioned officer on active duty in the Armed Forces of the United States. This requirement will insure that the graduates of these schools go to sea at a time when there is a shortage of such officers. In recognition of the different amounts of Government assistance involved, graduates of the U.S. Merchant Marine Academy will serve for at least 5 years, whereas the graduates of the State maritime academies will serve for at least 3 years.

Finally, there is an obligation to apply for midshipman status in the U.S. Naval Reserve, and upon graduation to apply for a commission in the U.S. Naval Reserve, or other Armed Force Reserve, and to remain in such reserve for at least 6 years.

Other improvements in the bill include recognition of the recently instituted Merchant Marine Reserve, U.S. Naval Reserve; as well as tighter structuring of noncompetitive admissions at the U.S. Merchant Marine Academy; as well as provision for regional maritime academies; as well as the establishment of a separate category for the inspection of training vessels.

Mr. Speaker, the development of this bill has been a joint effort of both the majority and minority members of the committee. I particularly wish to thank the ranking minority member of the subcommittee, the gentleman from Maine (Mr. EMERY), who cooperated effectively and thoroughly all the way. This is a sound piece of legislation, and I urge the House to support H.R. 5451.

Mr. Speaker, there are Members on both sides of the aisle who wish to speak in support of H.R. 5451.

□ 1350

Mr. MCCLOSKEY. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I support H.R. 5451, the Maritime Education and Training Act of 1980. This bill is the product of almost 4 years of effort by the Ad Hoc Subcommittee on Maritime Education and Training.

In the 95th Congress, under the leadership of Chairman GERRY STUDDS, the subcommittee conducted extensive oversight of the laws, regulations, and system for the training of officers for service in the U.S. merchant marine. The product of those hearings was a comprehensive report containing numerous recommendations for improvement.

In the 96th Congress, Chairman LES AUCOIN reviewed those recommendations and put together H.R. 5451, a recodification, revision, and update of the laws for maritime education and training.

After extensive hearings, H.R. 5451, as introduced was rewritten and further hearings held. Finally, several drafting sessions were held with redrafts of the bill circulated for comment. The bill before us today is the product of this careful process.

I commend Congressman STUDDS for laving the foundation and Congressman AUCOIN for following through to produce this bill. I believe it should be enacted into law.

Mr. Speaker, I yield 2 minutes to the gentleman from New Jersey (Mr. FORSYTHE).

Mr. FORSYTHE. Mr. Speaker, it is a genuine pleasure for me to rise in support of H.R. 5451, the Maritime Education and Training Act of 1980.

As pointed out in the committee report, there have been longstanding problems associated with Federal involvement in the area of maritime education and training. I am personally aware of this situation, for I was a member of a select subcommittee that grappled with these problems in the 92d Congress. For a variety of reasons, we were unable to resolve these problems at that time.

Because of my experience on that subcommittee, I especially appreciate the professional work produced by the Studds committee in the 95th Congress and the AuCoin committee in this Congress. For almost 4 years, the majority and minority members have worked in

close harmony to produce the landmark legislation before the House at this time.

I wish to take this opportunity to commend all the Members of the Merchant Marine and Fisheries Committee for reporting the most comprehensive legislation on maritime education and training in the history of our committee.

Mr. Speaker, H.R. 5451, the Maritime Education and Training Act of 1980, is a sound piece of legislation. It goes a long way toward resolving the problems associated with Federal involvement in the area of maritime education and training, and I strongly urge my colleagues in the House to support it.

● Mr. MURPHY of New York. Mr. Speaker, I rise to urge the House to pass the most comprehensive legislation on maritime education and training ever reported by the Merchant Marine and Fisheries Committee.

There have been longstanding problems associated with the Federal role in maritime education and training. When I was elected chairman of the Merchant Marine and Fisheries Committee in the 95th Congress, I therefore appointed an Ad Hoc Select Subcommittee on Maritime Education and Training, with the Honorable GERRY STUDDS as chairman. Over a 2-year period, the Studds committee made an exhaustive study of these problems and issued a landmark report. I want to take this opportunity to thank Mr. STUDDS and the members of his subcommittee for their outstanding work.

Mr. Speaker, the Studds committee report recommended that the Federal laws on maritime education and training be recodified and that certain changes be made. Thus, in this Congress, I again appointed this special subcommittee, with the Honorable LES AUCOIN as chairman. The AuCoin committee implemented the recommendations of the Studds committee, held extensive hearings on the bill I introduced, and on June 12, 1980, the Merchant Marine and Fisheries Committee reported out the legislation that is before the House. I want to commend my good friend from Oregon for his outstanding work on this legislation. The AuCoin committee has done a first-rate job on some very complex legislation.

Mr. Speaker, H.R. 5451 is a bipartisan effort of the Merchant Marine and Fisheries Committee. The bill seeks to overhaul the Federal laws on maritime education and training—and it does just that. H.R. 5451 is a sound piece of legislation, long overdue, and I strongly urge my colleagues in the House to support it.●

● Mr. EMERY. Mr. Speaker, the bill we have before us, H.R. 5451, represents much hard work by many individuals. The Maritime Education and Training Subcommittee, the National and State academies, and the Maritime Administration have engaged in exhaustive hearings and consultations to produce a bill which will be truly beneficial for the maritime industry as a whole.

The fact that the ad hoc subcommittee has translated the knowledge and recommendations of the Studds committee in the last Congress into legislative language reflects well on the entire Merchant Marine Committee. This demonstrates a spirit of continuity and cooperation that is essential if a committee is to find solutions to complex issues.

I would like to take a moment to emphasize that this legislation strengthens the Federal commitment to the State maritime academies. Those sections that address the fuel problems these schools have encountered and their need for equipment and vessels are more than rhetorical and symbolic; they are an essential response to real problems and represent a commitment on our part to meaningful assistance.

I am proud to have had the opportunity to participate in these efforts and urge my colleagues to support the legislation we have presented. The importance of a viable maritime education system cannot be underestimated, and without this legislation our maritime academies' futures will be left in doubt.●

GENERAL LEAVE

Mr. McCLOSKEY. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the legislation now being considered.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

There was no objection.

□ 1400

Mr. McCLOSKEY. Mr. Speaker, I have no further requests for time.

The SPEAKER pro tempore (Mr. LONG of Louisiana). The question is on the motion offered by the gentleman from Oregon (Mr. AUCOIN) that the House suspend the rules and pass the bill, H.R. 5451, as amended.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the bill, as amended, was passed.

The title was amended so as to read: "A bill to amend the Merchant Marine Act, 1936, to revise and reenact the laws pertaining to the United States Merchant Marine Academy and to State maritime academies and for other maritime education and training purposes.".

A motion to reconsider was laid on the table.

EXTENDING FILING DEADLINE FOR FINAL REPORT ON HOUSE RESOLUTION 53, SELECT COMMITTEE ON OUTER CONTINENTAL SHELF

Mr. MURPHY of New York. Mr. Speaker, today, the Select Committee on the Outer Continental Shelf expires, having compiled a comprehensive investigative and oversight record relating to offshore oil and gas development. To assure that the 1978 amendments to the Outer Continental Shelf Lands Act were properly implemented, the committee held 22 days of hearings—both in Washington, D.C., and around the country. Furthermore, committee staff prepared a report on the 5-year leasing plan proposed by the Department of the Interior that was extremely influential in the development of the final schedule. In addition, the committee has prepared a final report on the OCSLAA which includes recommendations for legislative change. These recommendations are based on the committee's hearing record, and include several technical changes that will promote truly accelerated development in an environmentally sound manner.

Pursuant to House Resolution 53, the committee's final report in draft form is presently being circulated among the Members, but to assure that it receives full consideration, I would ask for unanimous consent to extend the filing deadline for the final report for 1 month, until July 31, 1980.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York?

There was no objection.

CONFERENCE REPORT ON S. 2009, CENTRAL IDAHO WILDERNESS ACT OF 1980

Mr. SEIBERLING. Mr. Speaker, I call up the conference report on the Senate bill (S. 2009) to designate certain public lands in central Idaho as the River of No Return Wilderness, to designate a segment of the Salmon River as a component of the National Wild and Scenic Rivers System, and for other purposes.

The Clerk read the title of the Senate bill.

The SPEAKER pro tempore. Pursuant to the rule, the conference report is considered as having been read.

(For conference report and statement, see proceedings of the House of June 24, 1980.)

The SPEAKER pro tempore. The gentleman from Ohio (Mr. SEIBERLING) will be recognized for 30 minutes, and the gentleman from Idaho (Mr. SYMMS) will be recognized for 30 minutes.

The Chair recognizes the gentleman from Ohio (Mr. SEIBERLING).

Mr. SEIBERLING. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, it is with great pleasure that I rise in support of the conference report on S. 2009, the Central Idaho Wilderness Act. This important legislation will provide permanent wilderness protection for the largest national forest roadless area in the lower 48 States, an area greater in size than Yellowstone National Park, and with wildlife and fisheries values of equal importance. It will also assure that much of the Salmon River remains free from dams, dredge mining or other development activities for the benefit of future generations.

S. 2009 is, with few exceptions, the same bill which passed the Senate by a vote of 69 to 18 on November 20, 1979, and the House by a vote of 301 to 93 on April 16 of this year. It is a long overdue response to citizen demands and administrative recommendations for the protection of the area. However, rather than consume excessive time with a long list of the superlatives of this area, I will limit my presentation to a few high points.

Wilderness designation for this area is not a novel concept. Administrative recommendations for a River of No Return Wilderness have been pending in

Congress since 1974, whereas conservationist wilderness proposals for the area go back several decades. Thus, it cannot be said that S. 2009 has in any way been rushed through Congress without adequate public input or time for comment. Quite the opposite is true. The Forest Service has recognized the area's outstanding wild values since the 1930's, when it acted to protect roughly two-thirds of the current wilderness proposal with "primitive area" classification. The net effect of this action is that the core of the proposed wilderness has been off limits to development for almost 50 years. S. 2009 would add certainty to this administrative protection through permanent wilderness designation.

The proposed wilderness contains the finest major year-round undisturbed elk habitat in the Nation, and perhaps the largest elk herd outside of, possibly, Yellowstone itself. One hundred and ninety species of wildlife inhabit the area, including large populations of mountain goat, bear, moose, and Idaho's most prolific bighorn sheep herd. Additions of several key areas surrounding the existing primitive areas will insure that key wildlife habitat is preserved in its natural state.

The Salmon River drainage, much of which is protected in S. 2009 by either wilderness or wild and scenic river designation, is the most important in the entire Columbia River Basin for chinook salmon and steelhead. The importance of the river cannot be overemphasized, and is best summarized by testimony presented by the Idaho Game and Fish Commission during last December's Public Lands Subcommittee hearings on S. 2009, and I quote from their testimony:

> The Salmon River drainage provides spawning and rearing areas for more spring and summer migrating chinook salmon than any other drainage in the Columbia River Basin. The Salmon River produced 98 percent of the annual chinook harvest (all sport fishing) in Idaho when the chinook were being fished. It produces more than one-half of the Columbia River steelhead.

Still quoting:

> In the case of the Salmon River, the chinook salmon and steelhead trout must have access to the upstream spawning and rearing habitat. The survival of these fish is inextricably tied to the Salmon River remaining a free-flowing stream. This stretch of the river has three potential hydro dam sites, any of which, if a dam were constructed, would foreclose anadromous fish management. Please remember the fish must negotiate eight dams now, and another would create an insurmountable problem. Considering the enormous equity the American people have accumulated over time in perpetuating these fish runs (multimillions of dollars for passage facilities, hatcheries, and countless man-hours of fisheries research expertise from numerous fisheries agencies), this would be a national tragedy.

In addition, both the main Salmon River and the wild Middle Fork are among the most popular whitewater rivers in the Nation. Members may recall that the Middle Fork was floated by President Carter in the summer of 1978.

Because much of the area is sparsely timbered or has been off limits to logging since the 1930's, enactment of S. 2009 is expected to have no adverse impact on national forest timber supplies: Indeed, data supplied by the Forest Service indicates S. 2009 will slightly increase timber availability from the national forests in central Idaho. This is due to the fact that certain lands previously deferred from timber harvest by the Forest Service will be available for inclusion in national forest harvest bases upon enactment of S. 2009.

The permanent wilderness protection of S. 2009 will be a great boon to Idaho's guides and outfitters, who strongly endorse the bill. I might say that when we were out in this area last summer, some of the guides and outfitters met with us and personally reiterated their strong support.

In 1978, this fast-growing sector of the Idaho economy directly brought in over $23 million, not counting the multiplier effect. Many areas of known or suspected mineral potential have been excluded from the bill. The mineral cobalt has received the most attention, and I can state with confidence that the conference report contains provisions that will insure that cobalt can be mined within the wilderness in the event commercial quantities of cobalt are discovered. I believe the chairman of the Mines and Mining Subcommittee shares my confidence in this regard, and is a cosigner of the conference report.

The proposed wilderness occupies the east central part of the so-called Idaho Batholith. This is an area of largely unproductive, fragile and highly-erosive soils. As a result, developments such as road building, timber harvest and mining could have extreme adverse impacts on fisheries resources. In short, much of the area is geologically unsuited to major development.

In summary, Mr. Speaker, I believe it is clear that the provisions of S. 2009 deal with lands whose primary value is in their continued preservation in their natural state.

□ 1410

Development is entirely inappropriate in the proposed wilderness, and if it occurred, would likely involve substantial adverse impacts on the environment or subsidies by the taxpayers of this Nation, or probably both.

I, therefore, urge Members to support the conference report on S. 2009 as the best way of insuring that this magnificent area of central Idaho is preserved for the benefit of future generations.

Mr. Speaker, when the other body debated this conference report, the senior Senator from Idaho, Mr. CHURCH, pointed out on page 17184 of the CONGRESSIONAL RECORD that there was a minor error in the joint statement of managers contained on page 18 of the House Report 96–1126. The first full sentence at the top of that page should simply read: "The House version excludes this area from the wilderness."

Mr. Speaker, I join in making that correction, which I believe is agreed to by all concerned on this side.

Let me also say that in the debate in the other body the senior Senator from Idaho included excerpts from the statement on the part of the managers as an exhibit to the debate, and one of the things that that statement points out is this—starting on page 13 and continues through pages 14 and 15: It deals with the opinion of the court in the case of California against Bergland, in which the U.S. District Court in California found that the environmental impact statement that was prepared by the Forest Service with respect to the proposed RARE III areas—more precisely those that were not recommended for wilderness—in California, was deficient.

The conference report points out that that decision does not apply to the areas covered by this bill, the Central Idaho National Forest. Whatever may be the merits of the environmental impact statement, the conference report points out that—and I am now quoting—

> . . . through numerous public hearings, field inspection trips, fact-finding missions, and informal discussion sessions, Congressional decision-makers have carefully and exhaustively examined the wilderness qualities of the lands designated as wilderness by this Act and the wilderness attributes of the lands which have had their "non-wilderness," multiple-use status affirmed by this legislative decision. Therefore, any allegations that the RARE II final EIS does not fulfill the requirement that the Forest Service closely examine the wilderness attributes of the roadless areas in central Idaho before they are opened for development, are moot. That close examination has been accomplished by the Congress, acting upon the recommendations and information supplied by the Administration, as supplemented by the data and testimony gathered by congressional investigations.

Mr. Speaker, I emphasize that the kind of investigation that was conducted by the other body, as well as by the House, certainly did supplement that process, and for that reason the conferees felt that, whether or not there were any deficiencies in the EIS with respect to the Central Idaho National Forest that were not included in the recommended wilderness—and we take no position on that—they have been adequately remedied by the kind of legislative consideration that was given to this bill.

Mr. Speaker, I reserve the balance of my time.

GENERAL LEAVE

Mr. SYMMS. Mr. Speaker, I yield myself 14 minutes.

Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks, and include extraneous matter, on the conference report presently under consideration.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Idaho?

There was no objection.

Mr. SYMMS. Mr. Speaker, this conference report on S. 2009, the Central Idaho Wilderness bill, will be voted on by the House tomorrow, although we are debating it today. It has many provisions in it that those of us from Idaho all agree on, including protection of the central part of Idaho, in the Salmon River drainage and Salmon River breaks, as wilderness. That is the central core of it.

Mr. Speaker, from there on, though, there is a great deal of disagreement in Idaho on this bill and what it does to the country. Unfortunately, the extreme pressure groups won this fight.

Mr. Speaker, the Members will remember that on the floor of the House the gentleman from Idaho offered a substitute for this bill that got 179 votes. Now, in Idaho, the AFL–CIO has made an estimate on the conference report that this bill will cost 10,000 jobs in the State of Idaho in the ensuing months and years ahead. Most of those jobs, of course, will come out of the timber industry.

Three-fourths of the Idaho congressional delegation has opposed this conference report and there was not a single Member of the minority who signed it.

I would just like to go on for a moment, Mr. Speaker, and talk about some of the failures of this legislation. I think it is unfortunate that we could not have had a balanced bill, on which the Members of Congress could vote, that would have still enacted in Idaho, the largest contiguous wilderness in the Continental 48 States and still have taken care of those concerns of the working men and women in Idaho. The members of the AFL–CIO, the Idaho Farm Bureau, the Idaho Grange, the Idaho Chamber of Commerce, and other groups opposed this legislation because of the threat it posed to our economy.

No. 1, this legislation lacks statutory release language, which is important to the future of our resource-dependent communities in Idaho. While the current economic situation, I would agree, has resulted in timber mill closures in Idaho, the lack of statutory release language will probably affect the ability of those mills to reopen in better economic times.

For example, the Elk Creek area that is in wilderness in this bill had some pending timber sales being worked on which will now cause our Idaho economy a potential loss of 26 million board feet of timber.

So what we are really talking about here is a bill that makes this country less able to produce the resources of the new wealth that comes from the forests, the mines, and the agricultural potential, including grazing, in the State of Idaho. It affects the whole country.

The second point that I am concerned with in the bill is the "so-called" compromise language in the conference report regarding the cobalt-rich region of West Panther Creek. The agreement reached in conference regarding the West Panther Creek area was an attempt to insure that the strategic and critical cobalt there will be mined. This new language was as a result of the failure of section 4(d)(3) of the Wilderness Act of 1964. If we are going to try to have any of that cobalt mined, we must have either a new approach to 4(d)(3) or we must exclude the area from wilderness.

That is what the gentleman from Nevada (Mr. SANTINI) and I thought we should do. The House, as a result of the efforts of the gentleman from Nevada (Mr. SANTINI) and myself, chose to exclude that area from wilderness so it would be multiple-use and there would be no question that the cobalt, a strategic mineral, would be able to be mined.

However, in conference, as a result of the approach of the Senate, the House conferees fashioned a compromise which placed the cobalt area in wilderness, but which indicated that only multiple-use, nonwildenress concepts would apply.

□ 1420

Thus, we say, in the House version, "let cobalt be mined," and this time we really mean it. The conferees also say that we can let cobalt be mined but, that—

Consistent with the other provisions of this subsection the Secretary may take all reasonable measures to see that the mining or process of cobalt and associates minerals within the Special Management Zone does not significantly impair the overall habitat of the bighorn sheep located within, or adjacent to, such zone.

I think it is worth mentioning at this point that there is nothing so far in mining that is incompatible with bighorn sheep except one fact. It takes miners to actually operate a mine, which requires the very strict enforcement of game laws, and poaching, et cetera.

I, for one, am frankly unwilling to trust the executive branch to read what, and only what, we have written into this bill, and to apply our intentions without discrimination.

Now I fear that the administration will disregard the clear legislative intent of West Panther Creek language and prevent the mining of cobalt.

The only way to insure cobalt will be mined is to exclude the area from wilderness. That is what the Committee on Interior and Insular Affairs did. That is what the House did. That is what the conference failed to do. The House Members in the conference did not stand up to the House position. The four Members of the minority did, but the Members of the majority did not.

Lest my colleagues believe I am paranoid about my concern for cobalt, allow me to call their attention to the Wall Street Journal article of June 10, 1980, where a Forest Service official stated that the cobalt compromise language would be in conflict in and out of court for years. That is my fear regarding the strategic and critical mineral of cobalt—that we not act unwisely today in regard to this resource.

Mr. Speaker, I think it is very important that I just insert into the RECORD by reading off a list of some of the people who are opposed to this legislation. It is no compromise. It is imbalanced legislation. It is one sided in favor of the environmental extreme position, and these people who are backing me up to emphasize this imbalance are as follows:

The Idaho AFL–CIO, International Brotherhood of Carpenters and Joiners, the Chamber of Commerce, the NAM, the National Association of Counties, Inland Forest Resource Council, Northwest Mining Association, National Cattlemen Association, Idaho Lumber & Timber, just to name a few.

So let us not have the Members of this House think for 1 minute that they are passing legislation that the State of Idaho wants. We in Idaho most certainly are proud of our pristine waters and beautiful mountains and the clean air. We want to preserve that. But we would like to do it with balance so our children can live and work in our State and not have it all put off limits. It is unfortunate that this legislation is so imbalanced and not the kind of legislation that we could have had. I think it is unfortunate that we were unable to have a fair piece of legislation to pass the House. That view is shared by three-fourths of the Idaho delegation. One Senator from Idaho, the junior Senator, opposed the legislation, and both Congressmen in our State opposed the legislation, along with the vast overwhelming majority of the Idaho people who live and work and recreate, I might say, in those forests which this legislation withdraws.

That is not to say that we do not think that the committee is partly right in the central core part of it, but we could have had a more moderate bill that would still protect that which we all agree should be protected. It is the extremities around the edge, the withdrawal of the strategic mineral of cobalt, and the timber resources, that prompts such fervor in Idaho.

Mr. Speaker, in summing up my comments, I would just say that since the time the bill passed the House, there have been some articles in the Wall Street Journal.

I refer to the Wall Street Journal articles of Thursday, June 26, and Wednesday, June 25 and immediately following my remarks, I will place two articles in the CONGRESSIONAL RECORD for the readership of our Members when they come in to vote on this tomorrow.

This is about unrest in Zaire. These articles appear in the RECORD. They talk about the political instability that exists in Zaire, where the United States obtains about 55 percent of our cobalt. In fact, a great percentage of the cobalt of the free world comes out of the Shaba province in Zaire.

Since, Mr. Speaker, the House passed this Idaho bill in spite of the substantial opposition to it and a great deal of support for the more moderate position of my amendment, this Congress has seen in its wisdom to pass registration of 19- and 20-year-old male Americans. I would just say to the Members of this House that it would be very easy to have to send those young men to fight a war over resources we have in our own country. I would ask Members to vote down this conference report and remember that this Congress could come back in a very short time and pass a more moderate bill, that would leave the cobalt out, that would not cost 10,000 jobs in Idaho as the AFL–CIO is predicting and not put us in the position with the implementation of draft registration that we will end up drafting our young men for an unnecessary conflict over resources in Africa.

This bill is not in the best interest of national security. It is not in the best interest of sound environment. It is not in the best interest of the men and women who live and work in my State.

I would ask for all Members of this House to vote down this conference report.

I reserve the balance of my time, Mr. Speaker.

The articles referred to follow:

UNREST IN ZAIRE: ANTI-MOBUTU FEELING SWELLS AMONG MASSES LIVING IN DESTITUTION

(By Jonathan Kwitny)

KINSHASA, ZAIRE.—Mingi, a 21-year-old engineering student at the national university here, has two things in common with millions of other Zairians: poverty and anger.

There is much to fuel his anger. In a nation rich with diamonds, cobalt and copper, a privileged elite siphons off the benefits. President Mobutu Sese Seko is a multimillionaire. The bureaucrats, military officers and others in his favor also prosper. The politically connected class of merchants known as *commercants* can be seen jouncing along Kinshasa's dirt roads in $20,000 Mercedes-Benzes.

Mingi lives in a four-room mud house with a sister, her baby and six other people. There is no electricity or running water. His government allowance as a student is $25 a month. It isn't enough in a country where rampaging inflation has driven the cost of a paperback textbook to $10. In a country that could be a garden of agricultural abundance, he can afford only one meal a day, usually of starchy manioc root.

Mingi, of course, can't supplement his allowance as some female students have taken to doing—by selectively prostituting themselves. Mingi's intended bride is such a student. He is bitter about sharing her with two older and richer men, who pay her $4 to $7 a night when she stays with them.

ECONOMIC REALITIES

She recently has become pregnant—with his baby, Mingi informs matter-of-factly, as though no other possibility existed. But he complains that he can't afford to support her, or to pay the $300 or so that her family would demand as a marriage price.

Mingi and several thousand fellow students have been on strike since April, or say they have; President Mobutu says he forestalled the strike by swiftly closing the university and dispersing students around the country by force. But the students, who have been demanding increases in their grants, say they will walk out again when the university reopens in October.

And student leaders say they will try to bring working people into the streets with them, particularly the 32,000 miners in Kolwezi, the copper-cobalt center. There, most miners interviewed said they expect a student strike in October and plan to join it. Those plans will take pluck; a year ago army troops violently broke up a student strike, causing many injuries and reportedly two deaths. Leaders of the students or the mine workers take care to meet clandestinely, knowing that political dissenters in the past have met with police beatings, imprisonment or death.

"If you have a problem with security, your embassy will help you," Mingi says to an American visitor. "If we have a problem, there is no one who will do anything to make us free." In Kolwezi, the mining center, a miner confides, "You make a strike, they will kill you. All the people, they talk about a strike, but they are afraid."

MANY COMPLAINTS

Interviews around Zaire with students, workers, farmers, women in their homes, frustrated job seekers and others disclose a rising tide of resentment in this nation of 28 million or so—resentment at the near-absence of government services, at the corruption and favoritism that surround the authoritarian Mobutu government, and at the Western nations, mainly the U.S., France and Belgium, that are seen as propping up the Mobutu regime.

"It's you (the U.S.) who are keeping him in power," says a Zairian regional administrator who has begun to criticize government policies—anonymously. "If the Americans put pressure on him to leave, cut off all aid, he'd be gone today. If America set the pattern, Belgium, France and the other countries would follow." (Repeated efforts by a reporter to obtain interviews with Mr. Mobutu or other government officials for this story met with failure.)

And who would replace Mr. Mobutu? The people don't know. Many emphasized that they don't want a Communist-style revolution. "We just want honest leaders," says a student strike organizer in Kinshasa. In fact, there are potential leaders at home and abroad, but there is no single visible challenger to the man who has survived handily since he seized power 15 years ago. For Western diplomats and bankers, it is an awkward matter: Mr. Mobutu represents a counter-on alliance and a huge economic stake.

Zairians sometimes use the example of Iran, and the shah, in talking about their hopes for an upheaval. "We read and we make the comparison," says one student leader.

Mr. Mobutu, for his part, portrays himself as a bastion of anti-communism. Zaire's cobalt, some 50 to 60 percent of the world's supply, is crucial to the American aviation and defense industries. Its copper and diamonds are crucial, too. Not least, this technically bankrupt nation is in hock to Western governments, international organizations and Western banks to the tune of a staggering $6 billion or so.

VANISHING RICHES

Zaire ships some $1.5 billion of copper and cobalt yearly from Kolwezi, but the miners know that little of it comes back to them. One recent evening a group of them gathered at dusk on a grassy hillside overlooking a vast open-pit copper mine, and talked about their grievances. (Unions are outlawed, and Kolwezi officials deny that one exists in the mines, but the workers, operating by word of mouth, apparently have established a representational system with an overall leader.)

Wages are a bitter subject. They range from $12 a month for menials to about $35 a month for a veteran miner, not enough to support the big families that are common. The cheapest protein, beans, costs about 35 cents a pound, and most foodstuffs are out of the miners' reach. They know that many of their children are suffering from malnutrition.

Whom to blame? "Les superieurs de ches nous" (the leaders of our country), said one miner. "The corruption is everything," a second asserted, and a third man added bluntly, "The president of the republic puts it in his pocket."

It's hard to say; the bureaucratic apparatus is labyrinthine. The state took over Gecamines, the principal mining company, from its European owners in 1972 (though Europeans still largely manage it). Under law, Gecamines turns over its production—worth about $120 million a month—to a state sales board called Sozacom, which is controlled by a Mobutu appointee.

After deducting the costs of freight and sales commissions, Sozacom is supposed to return an average 45 percent of its revenues to Gecamines. Gecamines says that in the month ended May 3, a typical month, Sozacom netted $102.3 million and turned over $40.5 million to Gecamines. But expatriate sources in Kolwezi say that only about $20 million a month actually comes back to Gecamines. The other $20 million or more, they assert, is skimmed off in graft.

John Castiaux, expatriate chief of Gecamines' computer operations in Lubumbashi, confirms that only about $20 million a month is returned. But he wouldn't say where the rest goes or comment further except to say, "It's politics. Umba Kyamitala, a Zairian and executive director of Gecamines, sticks by the official accounting. "The guy in the computer section cannot give you the exact figures," he asserts.

Even if Mr. Umba is right, some $60 million of Sozacom's monthly intake is going into the central banking system, which is believed also to be a conduit for corruption. And these manipulations may be only part of the picture; commodities-market authorities in the U.S. last year pointed to strange fluctuations in world cobalt prices and said they probably were due to off-the-book sales from Zaire.

So it is too with diamonds. The national diamond monopoly is MIBA, seized from the Belgians in 1973 (in 1978, 20 percent was returned to them, to pay for spare parts). Lequeux Norbert, MIBA's expatriate chief engineer, estimates that $30 million to $40 million of diamonds is smuggled onto the black market each year in addition to the $90 million worth produced officially (Zaire has an estimated 25 percent of the world supply, though most are industrial rather than jewelry quality).

ACROSS THE CONGO RIVER

Many people in Mbuji-Mayi, Zaire's diamond capital, think the black market takes an even larger share than is estimated by Mr. Norbert. They note that the adjacent Republic of Congo, a nation with no known diamond deposits, has become a major international exporter of the gems.

Much of Zaire's coffee production also leaves the country off the books. Suitcase loads of cash gleaned from various skims also are discreetly exported. Since Zaire's roads are too poor for long-distance travel, the Congo River is a major thoroughfare, and boats from the interior with cargo bound for the Atlantic seaport of Matadi easily can stop at villages on the Congo Republic side of the Congo River to unload illegally.

The International Monetary Fund, as the chief international guarantor and creditor of Zaire, has been increasingly anxious about establishing controls over Zairian national finances and ensuring that earned foreign exchange is used to pay the hugh foreign debt. In fact, an IMF team was brought in two years ago to monitor Bairian finances.

But Manoudou Toure, the Senegalese economist who heads the IMF team, bluntly admits that he "can't control" the outflow—or even say how much Sozacom really pays to Gecamines of the nation's mining revenues.

"We are under the supervision of the Zairian authorities," he says. "I have to take for granted what they tell me. The people who are powerful here, the people who export coffee and diamonds and so forth, are very shrewd, very full of technical resources to bypass the law." Earlier this year, Belgian customs officials were brought in to supervise baggage checks at the bribery-riddled Kinshasa airport, but the scene is chaotic and, says a Belgian, the job is "very, very difficult."

Most of the smuggling is done by the wealthy class of commercants. Many travel regularly to Europe, where they keep their money. It is commonly thought that they are allowed to continue because they give a large cut of their proceeds to Mr. Mobutu's ruling elite.

Graft often is funneled through the regional commissioners, who are approximately equivalent to American governors. They are appointed by President Mobutu, always from outside the region they govern, and often from his own home region. David J. Gould, a University of Pittsburgh professor who did a 1977 field study here, says he interviewed

businessmen large and small who were paying a total of $100,000 a month in bribes to the regional commissioner of Shaba Province. The man's salary was $2,000 a month.

So the commissioners stay loyal. High-ranking officers in the military are said to have their arrangements too. At the lower levels of the military, soldiers, are more or less licensed to steal. Thus the "checkpoints" on highways where "beer money" is collected from commercial vehicles—including even women with market baskets on their heads. The fee varies according to the value of the cargo.

So, among those with power or connections, the money flows. The masses of the Zairian citizenry are pauperized. "On the radio everybody hears that the U.S. just gave us a bunch of money," says a resident of Mouji-Mayi. "Nobody sees the money. Why do children go to school in this town without shoes on?"

The level of development is dismally low. The entire national public health budget is less than $10 million; of that, four-fifths goes to Kinshasa, most of it to a hospital named after Mr. Mobutu's mother. Ellen Leddy, a U.S. Peace Corps volunteer, is finishing a survey in which she found that 34 percent of children between birth and age five are suffering from the lethal protein deficiency called kwashiorkor.

FOR WANT OF BEANS

"But you can't talk about statistics," she says. "I just saw seven kids who will die—I look at them and I know they're dying. They could be cured with some mashed beans every day. But beans cost one zaire (the national currency, now worth about 35 cents), and one zaire is a lot."

Many Zairians now have a lot fewer zaires than they had last year. On Christmas night, a Mobutu-ordered currency exchange all but wiped out most people's savings. Mr. Mobutu announced that the existing currency was invalid; citizens were given three days to visit a bank and exchange up to $1,000 of old money for the new currency.

Any sum over $1,000 was worthless. The president said the move was to strengthen the currency. Those who could get to banks found crushing lines, demands for bribes from banking officials—and sometimes that the new banknotes had run out. Commercants and other members of the elite seem to have retained their fortunes, however, and it is commonly believed that they got to change all the money they wanted to, by making payments in the proper places.

"Yeah," says a teacher in Kinshasa, "There was a limit, but for the bosses there was no limit."

Yet only in Mbuji-Mayi—where there are two banks to serve the four million residents of Eastern Kasai Province—was a single bank window broken, and that apparently was an accident. "I can't understand it," says a U.S. diplomat. "These people are so hopeless they'll take anything. You can call it Bantu passivity if you want to be racist about it."

A similar observation comes from an American missionary who says his group, the Communite Presbyterian du Zaire, lost more than $350,000 in the money exchange—funds it had raised to run schools, hospitals and rural dispensaries. (Banking officials, he says, have promised "to see what we can do," but nothing has happened yet.)

THE OTHER CHEEK

He recalls 13 hours of "pushing and shoving like everybody else" to change $350 of his own money, and marveling that people didn't revolt. "There are missionaries who have been here 20 or 30 years and seen it time and time again," he says. "The people get screwed to the wall and just turn the other cheek."

The students think they represent a new and more outspoken generation. But there is fear—of the government, of the army that remains loyal to Mr. Mobutu, and of violence itself; the bloody 1960s left almost every family here with grisly memories of murdered relatives, friends hiding in the bush and the atrocities of roving death squads.

There is a vivid consciousness of the Western role in Zaire. "Of course you killed Lumumba," says the "brigadier" for striking architectural students in Kinshasa. Patrice Lumumba, the country's first premier after independence from Belgium in 1960, was murdered in 1961 and has become the national hero. Many look to his exiled sons for eventual leadership.

The Senate Intelligence Committee, in 1975, did in fact report an abortive plot by the Central Intelligence Agency to kill Mr. Lumumba—to the extent of having delivered poison for the plot to Kinshasa. The committee also uncovered ties between the C.I.A and the Zairians who actually did murder Mr. Lumumba, though it was never proved that the murder resulted from an American plot.

There is evidence also that the CIA helped put Mr. Mobutu in office in 1965 (and had him on its payroll before that), and students here say they have seen American troops training the Zairian army (the Pentagon says the U.S. military presence is limited to two dozen U.S. soldiers).

When Zairian exiles invaded mineral-rich Shaba Province in 1978, it was French Legionnaires and Belgian paratroopers who came to the rescue and retook Kolwezi, transported in American planes. Western troops staged a similar "rescue" in Kisangani in 1964, while, according to Senate-committee evidence, U.S. planes manned by anti-Castro Cubans helped put down a revolt against Mr. Mobutu's group.

AFRICAN TRAGEDY: ZAIRE'S RICH SOIL FEEDS FEW BECAUSE FARMING ROADS ARE PRIMITIVE

(By Jonathan Kwitny)

KISANGANI, ZAIRE.—A recent Friday morning: Mama Singa, who is short but hefty—at least 180 pounds of grim determination—is lurching and rumbling out of town in a big, bright-red diesel truck she has leased for a moneymaking trip to the hinterlands.

Mama and some other entrepreneurs do for Zaire more or less what Continental Grain, A&P, railroads and other corporate giants do for the U.S.: get food to the people. As a one-woman enterprise, Mama is impressive; as a national food-distribution system, she's a mess.

One of Mama's destinations on this trip is Yalifoka, 90 miles to the southwest, a farm village that stirs each day around 6 a.m., when several small children emerge from their mud homes and thump a big drum in the center of the village.

That noise awakens Afana Ongia and his three wives, who head immediately into the bush toward their fields—a hectare (some 2½ acres) that they have cleared with a month of backbreaking labor and planted with rice, plantain and manioc. Mama Singa is buying some of that produce (at bargain-basement prices) for resale back in the city.

CAUSE FOR DESPAIR

Mama and Mr. Afana: They are characteristic figures in an agricultural system that has reduced development experts to despair and has embittered this nation, mostly made up of farmers, against the American-backed government of Mobutu Sese Seko.

Zaire's growing conditions range from good to ideal. In much of the nation fruit and vegetables issue from the earth almost unbidden. Zaire, in other words, could feed much of the rest of Africa as well as itself. It doesn't. Protein deficiency kills hundreds of thousands of Zairian children, and chronic malnutrition impairs millions of adults—while the nation spends precious foreign exchange importing food.

So Zaire's food shortage might seem hard to understand—but not after a few days on the road, or what passes for road, with Mama Singa. Her plan is to go about 100 miles into the interior, to some of the prime cropland on the African continent, load up with produce, and get back within four or five days.

Her truck, with 700 cubic feet of space within its slatted wooden sides, is leased from a wealthy *commercant*, or trader, who owns five such vehicles. She picks it up, with driver, on the Congo River's "right bank," the pretty, tree-lined and modern section of Kisangani inhabited by commercants, government officials, military officers, expatriates and others of the privileged.

ON THE ROAD

After a 45-minute wait, a ferry takes the truck across the river a few miles below Stanley Falls to the "left bank," a place of unpainted dirt houses and dirt footpaths and no electricity, where the bulk of the population lives and where women carry water on their heads from outlets up to half a mile away. The lucky ones have jobs on the right bank that pay $50 to $75 a month.

There are two "roads" on the left bank, unpaved and gooey with mud. Mama takes the right fork, heading southwest toward a string of farming villages. Within 200 yards, the clutch gives out. It takes the driver and a mechanic four hours to fix it. Mama isn't starting the trip empty; in the back of the truck are about 50 market women with baskets. They have paid $3.50 each for a ride to Yatolema, 58 miles distant. They plan to buy whatever their heads can carry to sell in Kisangani.

If they come back with Mama Singa, and they may have little choice, they will pay extra for their cargo. Mama intends to pick up some produce of her own in the villages—manioc, corn or plantain, whichever looks profitable.

A bunch of plantain (the large starchy banana usually eaten cooked) worth $1 in the bush sells in town for $3.50. An 88-pound bag of manioc (the root also called cassava) brings $1.75 to the farmer who grew it, and $7 to $10 in town. Corn kernels are marked up from under $12 for a 132-pound bag to $25 or more. The market women in Kisangani who buy the bags from Mama naturally will raise the prices even higher when they sell to customers by the cupful.

The price soars because the journey to market is so tough. The farmer sells when he can, and consumers buy when they can. The fresh bounty of the Kisangani interior isn't going to reach malnourished masses of Kinshasa, Lubumbashi or Kananga, the three big cities. No other Third World nation displays such a combination of agricultural richness and logistical poverty.

PALACES COME FIRST

The government of President Mobutu Sese Seko has spent $233 million on a "People's Palace" in the capital and billions more on other prestige projects, but precious little on agriculture. "If you just invested a little in imported fertilizer and worked on the attitude of the people to farm, you could easily double the production," says Hassan Nabhan, an Egyptian completing his third year in Zaire with the United Nations Food and Agricultural Organization. "If you put a big investment in roads, transportation and storage facilities, Zaire could support the Sahel countries."

Mama doesn't care about the logistical overview. She is haggling about the price of dried fish she wants to sell, or arguing with the driver, or just shouting. She speaks Lingala and Swahili, and those chiefly to bawl people out. Mama has the vocabulary and demeanor of a drill sergeant; not until the third day out is she seen to smile.

There isn't a whole lot to smile about, as the truck begins its journey rolling treacherously over a narrow and mud-slicked bridge

across a raging brown stream; and roars up a muddy hill out of Kisangani.

According to the Michelin map, this is the road you would take to drive from Kisangani, the major eastern city, to Kinshasa, the capital, 720 miles distant. This traveler estimates that you would be lucky to complete that drive in two months, if at all. The map shows that Mama is traveling on the good part of the road; her truck moves at about 10 miles an hour, when it moves.

Every 50 yards or so, if the road is dry, there are craggy chasms, some a foot or two deep, requiring a near stop to navigate around them or bounce over them. When there is water, a driver never knows if it is a shallow puddle or a pothole deep enough to overturn a truck (which happens). In mud, Mama's driver drops to first gear and roars through, praying he won't stall.

Every few miles is a village, where the driver stops to pick up market women and to pick up and deliver mail. Every few miles is a stream, where he stops to refill the badly leaking radiator. The clutch goes out again; fixing it only takes an hour this time. Then comes a confrontation with four soldiers who demand the driver's papers. Mama unwraps the pile of bills she has been collecting from the market women and hands a fistful to the soldiers.

"For beer," the driver explains as he roars off.

Then comes a river crossing. The ferry, consisting of about eight old metal boats with planks lashed on top, is said to be the same one used by Belgian colonialists 50 years ago. It has a motor of slightly more recent vintage. A dozen men struggle to guide the truck onto the ferry, which tips alarmingly from the weight. The crossing takes an hour.

Then mud. Deep mud. The driver and helpers dig out in an hour. Mama even takes up a shovel herself. The 58 miles to Yatolema has taken a total of 15 hours. Over a period of several days, Mama's truck encounters only three other vehicles—a pickup truck jammed with people, a Land Rover driven by missionaries and another big truck, whose cargo can't be seen. The Kisangani-Kinshasa road obviously isn't a bustling artery of commerce.

DOWN ON THE FARM

If Mama Singa is doing her part for Zairian agriculture, so are Afana Ongia and his three wives. But, compared with their hardscrabble existence, her life is a minor trader is privileged. Clearing land, they recently have been hacking down dense jungle with machetes, then setting fire to the branches and stumps to burn the land clear.

This is the traditional process. It wastes many potential soil nutrients, but without mechanized equipment it is about the only way to plant. Since less than 2 percent of Zaire's potential farmland has been put to use, nobody seems to mind the waste.

Many charred branches and stumps are left, but among them Mr. Afana and his wives have planted, in about equal quantities, rice to sell, manioc to eat, and plantain for both purposes. The wives actually do most of the work while Mr. Afana supervises, and they are showing the strain.

Mr. Afana's first two wives are in their 20s, but they already look old, with wrinkles and sagging breasts. (Mr. Afana is in his early 30s.) The new wife looks fresh and young, as does Mr. Afana; here energy for laboring in the field doubtless played a part in the marriage. His eight children all are too young for the fields.

Like most farm families in the area, the Afanas bring in $200 to $400 a year for their crops. Traders like Mama Singa come by so rarely that the farmers usually sell for whatever price is offered. You don't see radios or bicycles in villages like Yalifoka, and rarely even soda or beer. There are lamps, but kerosene costs 70 cents for a beer-bottle full, so the usual source of light at night is wood fires. Water is carried on women's heads from streams that often are a mile distant.

Mr. Afana's neighbor Tikelake has switched his crop to coffee under the tutelage of a government extension agent, in an effort to raise his income. (Coffee is an export crop, little known as a beverage. The Western visitor is left every morning much in the condition of the Ancient Mariner, with coffee, coffee everywhere, nor any drop to drink.)

THE GOING PRICE

The government has fixed a minimum price of $40 for a 176-pound bag of coffee, but traders dealing in coffee only get to Yalifoka a couple of times a year, so Mr. Tikelake accepts their illegally low offers of $27 to $33 a bag. He and his wife grow between five and 10 sacks a year. The extension agent says they could double their output if there was a reliable market for it.

Conditions are similar elsewhere. "Agriculture is very difficult," says Katumba Mpoyi, who has been farming for most of his 58 years in Bipemba, a little village in south-central Zaire. He is sweating profusely in the noon sun between the corn patch and the peanut patch.

Mr. Katumba keeps a detailed list of his income and expenses, and expenses are coming out on top. His wife approaches with a load on her head, and he observes that each time she takes a load to town to sell, she has to pay a precious dollar or two to soldiers at a local roadblock for "beer."

He and his wife have had 14 children; of the eight who survived childhood none farms. One, however, is considering farming; he is 19, in his third year at secondary school (where Mr. Katumba has to pay $31 a year per child, $11 tuition and $20 in bribes; so sometimes a child has to take a year off).

"With the hoe each day, each day, each day, each day," says Mr. Katumba wearily. "The children won't accept the farm." Mr. Katumba never considered any other occupation. "It's not very good, but there isn't any other work to do," he says.

Many thousands of Zairians work on plantations owned by giant European firms such as Unilever, raising coffee, palm oil, sugar or rubber trees. For this they get paid $10 to $13 a month and must promise that they won't raise cash crops on the side, a promise that is almost universally broken.

LOOKING TO THE FUTURE

Mr. Nabham, the Egyptian FAO aide, thinks the future is with the small farmers. He has convinced about 9,000 of the 300,000 farmers in Eastern Kasai province that an expenditure of about $100 a year for fertilizer will more than pay for itself. (This is demonstrated by raising adjacent fields of corn, one fertilized and the other not. The difference is shocking.)

Mr. Nabham gradually built up a $1 million revolving fund from UN money and farmers' contributions to finance the fertilizer payments. But recently the government announced new monetary restrictions that prevent Mr. Nabham from converting the fund to dollars to buy fertilizer from abroad. The program is stalled, and he is discouraged.

His projects, he says, have demonstrated that Zaire's land can yield 4.5 tons of corn per hectare. The current average yield: 0.6 ton per hectare. "In most countries," he says, "you can only increase production horizontally, by increasing the amount of land, but in Zaire you can increase both vertically and horizontally, because you haven't reached maximum productivity."

He argues that if running water, electricity, schools, hospitals and recreational facilities were brought to farming villages, more people would farm. But, like others, he sees movement in the opposite direction. The government has invested almost all of its development billions in urban-oriented projects.

"Everybody is moving into town," Mr. Nabham says. "The sons aren't working on the farm now. The ones working are the old men. They are tired. When they go, I don't know who will cultivate."

Mr. SEIBERLING. Mr. Speaker, I yield 5 minutes to the gentleman from Nevada (Mr. SANTINI).

Mr. SANTINI. Mr. Speaker, I rise in support of the conference report regarding S. 2009. I rise in support because, as a member of the Committee on the Interior and Insular Affairs and the conference report from the House, we have engaged in one of the most arduous and protracted discussions of an amendment and a map that I have had the good or bad fortune to share with my colleagues of both the majority and minority since I commenced my interesting journey 5½ years ago in the House of Representatives.

I rise in support because I believe that what was done with the specific issue of cobalt and its treatment by both the conferees and the majority of this House of Representatives reflects that this House and that conference committee was willing to recognize that in the context of a balance, a trade off, a recognition that cobalt is critical to the survival of this Nation because of the vital role that it plays in the manufacturing of strategic weapons, in the manufacturing of commercial airliners, and the manufacturing of oil and gas, drill bits, and a multitude of other high-technology commitments that we in the United States of America are willing to say cobalt, you are a priority in terms of our national needs and in terms of our national security, and we will recognize it accordingly in this legislation.

□ 1430

Now, my good friend and soon departing colleague, the gentleman from Idaho, and I have engaged in our share of battles side by side with the issue of an unresponsive or an alientated bureaucracy attempting to implement through their own desires and designs, schemes and plans, legislative intent.

I am confident that in the context of this bill we have hammered out an unequivocal expression of legislative intent that cannot be subject to the distorted distortions and conflicts that the gentleman and I have done battle with in the past in other legislative contests.

I draw some solace from the fact that the junior Senator of the State of the gentleman from Idaho, a long-time supporter of cobalt and friend of the gentleman from Idaho, offered an amendment on the Senate side that he felt was productive of cobalt interests, but which is much less explicit, much less protective and much less able in my mind to respond to the objections and understandable concerns of the gentleman from Idaho that possibly distorts the legislative intent of the executive agency later on.

As a matter of fact, the legislation contained in the conference commitment was in my judgment an unprecedented recognition of the fact that cobalt is the

dominant use, and in this context every other use will be subordinated to it.

I know of no precedent since 1964, since the institution of the Wilderness Act, that gave similar legislative recognition to the importance of a contrasting natural resource use.

Now, if the junior Senator from Idaho, a good friend of the gentleman from Idaho (Mr. SYMMS), felt that a much more expansive, much vaguer, much more ill-defined kind of amendment on the Senate side would have sufficed for the protection of the cobalt interest on the Senate side, I think that in reason and judgment, and in particular an analysis of the cobalt problem, the gentleman must agree that this language is much more significant in protection of the cobalt resource than was the legislation offered by the junior Senator on the Senate side.

Mr. Speaker, I rise in support of the conference report regarding S. 2009, the Central Idaho Wilderness Act of 1980. As my friends and colleagues know, my single interest regarding S. 2009 was the adoption of provisions which would assure the location, discovery, development and mining of cobalt which geologic experts have concluded lies in central Idaho. As a result of the debate regarding S. 2009 the criticality of cobalt is now a matter of wide concern not only within the Interior and Insular Affairs Committee but within the House of Representatives as well. If we of the Congress have accomplished only that dissemination of knowledge regarding this strategic and critical mineral, we have achieved much.

I would only advise my colleagues, however, that this is but one of many such minerals regarding which the United States is dependent on foreign, and hence, uncertain sources. It is my fervent hope that in the days, weeks, and years ahead as new wilderness proposals and as new statutory matters come before this body that we might view such changes as we have viewed the matter of the Idaho wilderness and cobalt—with an attitude of concern regarding the need to develop America's domestic mineral resources.

I must admit to great pleasure and satisfaction regarding the provision adopted in West Panther Creek, the location of the so-called cobalt trend. It is my belief that the language we have adopted is a brandnew approach regarding the mining of minerals in wilderness. For over 16 years the executive branch has ignored clear congressional intent and statutory instruction with regard to section 4(d)(3) of the Wilderness Act of 1964.

It was within that section that the Congress indicated that mining was to take place within wilderness areas and that wilderness areas were to be maintained "consistent" with that mining activity. It was clear from the statutory language of that section that the Congress desired that mining and mineral leasing was to be the first among equals and was in fact to supersede the concern regarding the wilderness. The conference clearly addressed this question of executive ignorance of 4(d)(3) and the matter of the dismal failure of that provision in light of America's increasing vulnerability as a result of dependence on foreign sources for strategic and critical minerals. It was the intent of the conferees to create brandnew language which clearly and unequivocally stated that the mining of cobalt was to take place within the West Panther Creek area, that access was to be guaranteed, that unreasonable, inhibiting, economically prohibitive regulations were not to be permitted in an effort to prevent mining. Time and time again the conferees reiterated that the mining of the cobalt was to go on. I believe it will go on. I believe that the statutory language we have created will insure only one interpretation by the executive branch, that interpretation is "let the mining take place."

There is no dispute that cobalt is a vital, indispensable component of America's increasingly sophisticated national defense system and the industrial base on which it depends. Vital as an engine component for high speed, high performance aircraft—each F–100 engine in the United States, F–15 and F–16 fighter planes, contains 900 pounds of cobalt, essential in missile controls, tank precision rollers, armor-piercing shells and conventional and nuclear propulsion systems, tool steels and high speed bits and cutters, as well as numerous other military and nonmilitary applications.

The role cobalt plays in national defense is best seen in the dramatic increase in usage that has taken place during periods of defense mobilization: doubling during World War II, doubling during the Korean war, increasing 39 percent during the 1963–69 escalation period of the Vietnam conflict. What is little recognized, however, is the integral role of cobalt in the production of steel. Cobalt is used in a number of specialty steels from the superalloys to a wide variety of alloys, such as high speed tool steels, abrasion-resistant plate, and tool and die steels. Cobalt is vital in much of what the American steel industry does or produces for nonmilitary as well as military consumption.

The United States now imports nearly 100 percent of its cobalt requirements. Of that, 55 percent comes from Zaire, a nation of well known internal uncertainty and external vulnerability, and 18 percent from Zambia, a nation whose long-term stability may be questioned. There is, therefore, little assurance that a reliable or steady supply of cobalt will be available in the future. Compounding the critical nature of this supply picture is the fact that the U.S. strategic and critical materials stockpile goal of 85.4 million pounds is only 48 percent complete. Furthermore, there are no known readily available substitutes for cobalt in essential components of the Nation's present and projected weapons system.

In order to provide for access to and development of cobalt and associated minerals within the special management zone, statutory language has been adopted insuring that the prospecting and exploration for, and the development or mining of cobalt and associated minerals is to be considered a dominant use. These activities shall be subject only to such laws and regulations as are generally applicable to National Forests System lands not designated as wilderness or included in other special management areas which are managed under special management prescriptions. In addition, the conferees adopted certain provisions relating solely to the acquisition of title and the taking of timber, as well as the nonmineral use of access roads but not affecting the ability or right of claim holders to the prospecting, exploration, development, and mining of cobalt and associated minerals.

These latter activities are thus totally exempt from rule and regulation under the Wilderness Act of 1964, but are governed instead by the law as applicable to Forest Service lands not designated wilderness. Thus the language of 5(d)(1) carries with it no authority which would allow the Forest Service to restrict, under any provision of the Wilderness Act, the manner in which access to the area and prospecting, exploration, development, and mining of cobalt and associated minerals is to be carried out. There is, for example, no presumption that mining must be conducted by underground mining methods since all references to such requirements or similar limitations were deleted from the conference agreement. As well, it was the objective and goal of the conferees that the Secretary was not to be capable, by regulation, of preventing or rendering uneconomic the mining of the cobalt in the West Panther Creek area.

The language that the conferees approved with regard to the establishment of a "special mining management zone" within a wilderness area is precedent setting and was not taken lightly. Because of its present and future implications on the management of land within wilderness areas and mining within those areas, a further word of explanation appears appropriate.

Notwithstanding a clear mandate in the Wilderness Act of 1964 (section 4(d)(1) through (6)) that certain established uses, such as the use of aircraft, motor boats, control of fires, insects and diseases, may continue, subject only to such restrictions as the Secretary of Agriculture deems desirable, there has been a very strong administration trend to either totally preclude such use or to make them essentially unattainable. An even more marked preoccupation with the total preservation of wilderness values at the expense of any mineral prospecting, exploration and development in wilderness areas has been clearly evident.

The Wilderness Act very clearly states that the mining laws and all laws pertaining to mineral leasing shall, to the same extent as applicable prior to the effective date of this act (Wilderness Act of 1964), extend to national forest wilderness lands; subject, however, to such reasonable regulations governing ingress and egress as may be prescribed by the Secretary of Agriculture consistent with the use of the land for mineral location and development and exploration, drilling and production and use of land for transmission lines, water lanes, telephone lines, or facilities necessary in

exploring, drilling, producing, mining, and processing operations, including where essential the use of mechanized ground or air equipment and restoration as near as practicable of the surface of the land disturbed in performing prospecting, location, and in oil and gas leasing, discovery work, exploration, drilling and production, as soon as they have served their purpose.

Clearly, the intent of the framers of the Wilderness Act was not to prohibit mining—nor was wilderness preservation to be an absolute mandate to the total exclusion of all other resource uses. Unfortunately, this appears to be what has happened. Preoccupation with total preservation of wilderness values has, as a practical matter, precluded all other resource development uses. Sixteen years of experience with the administration of the Wilderness Act indicates that little if any mineral prospecting, exploration or development has taken place within the millions of acres designated as wilderness since 1964. Further, based upon information available, not one significant mining operation has been developed within a wilderness area.

It might well be argued that had a more balanced and less prohibitive approach to mining been taken during the last 16 years the present amendment would have been unnecessary. However, the conferees were faced with a history of nonmining use in wilderness areas and chose to adopt an amendment which assures that the mining of cobalt and associated minerals in this area shall be totally exempt from restriction placed upon mining in wilderness areas and will be governed only by those statutes, rules and regulations that apply to nonwilderness Forest Service lands. There should be no doubt that the intent of the conferees in adopting this amendment was to remove any wilderness restriction on the mining of cobalt and associated minerals, notwithstanding the fact that the special mining management zone is within the exterior boundaries of a wilderness area.

It is the belief of the conferees that this new approach is to and will succeed where 4(d)(3) and the Wilderness Act have failed.

The SPEAKER pro tempore. The time of the gentleman from Nevada (Mr. SANTINI) has expired.

Mr. SYMMS. Mr. Speaker, I yield 3 additional minutes to the gentleman from Nevada.

Mr. Speaker, will the gentleman yield?

Mr. SANTINI. I am happy to yield to my friend.

Mr. SYMMS. I thank the gentleman very much for yielding.

Maybe I had a different impression, and I hope my good friend, the gentleman from Nevada, is right and I hope that he is not handed this issue again; but I would predict that my good friend, the gentleman from Nevada, will yet have to face this issue again down the road, because the legislative intent that the gentleman has and that we hope the conferees had to allow cobalt to be mined because of the fact it is in a wilderness area as opposed to a conservation unit that the junior Senator from Idaho had offered, that we will have more legal catches, have more lawyers to be able to block the mining in the future of cobalt in this wilderness area.

Mr. SANTINI. Mr. Speaker, I ask the gentleman to yield so I might specifically respond to the conservation unit expression.

Mr. SYMMS. I yield.

Mr. SANTINI. Can the gentleman cite for me one example since 1964 where a conservation unit for the purpose of providing for mineral exploration and extraction have succeeded?

Mr. SYMMS. No, I cannot.

Mr. SANTINI. Well, I rest my case.

Mr. SYMMS. I would say to my friend, the gentleman from Nevada, I have not seen any place in a wilderness area yet where any mineral extraction has been successful. I hope this may end up being the first.

Mr. SANTINI. At least the gentleman gets a better chance with this one than we had in the past.

Mr. SYMMS. Well, I hope so; but I think the problem will be, how will we get risk capital and take so long to get a mine going?

It just seems to me this should be classified for multiple use, and it would not harm what the basic intent of the bill would be if this was actually classified multiple use. Maybe we will have a Congress with more wisdom in the future and we will not have these fights and the gentleman and I will be able to see the day come when there will be an overall recognition in this country that we have a bigger problem in this country on nonfuel minerals than we do on the energy situation, where we depend on half the oil we import from out of the country.

I know the gentleman is a leader in this. I appreciate his efforts and the gentleman can be assured he will have my continued support to be sure that his intention is put into effect by the administration.

I yield back to the gentleman.

Mr. SANTINI. Well, I guess it was my time and I am happy to have this deference; but if the gentleman will proceed with me further, we also excluded the properties that were on the fringes of the proposed wilderness area. That included the Anaconda molybdenum-tungsten mining area. Again, the gentleman and I have fought many battles side by side to try to get some recognition of the importance of strategic materials, of which tungsten certainly is a critical one. The House position excluded that section. The position today is one of exclusion. The conference adopted that position.

Again, I think that both our experience with respect to the involvement of the trend area encompassed in the Wilderness Committee report and the property that included the molybdenum-tungsten mineral resources represent again unprecedented recognitions.

I would suggest balancing consideration of the critical importance of strategic materials and minerals and the survival of both the industrial base and the military security concerns of this Nation.

The SPEAKER pro tempore. The time of the gentleman from Nevada has again expired.

Mr. SYMMS. Mr. Speaker, I yield 2 additional minutes to the gentleman from Nevada.

Will the gentleman yield to me for a moment?

Mr. SANTINI. Mr. Speaker, if I might complete my observation on the gentleman's time this time.

Therefore, I think we have made significant and important progress. I appreciate the fact that the conversions have come hard, that the realizations have been arduous ones to extract about the importance of mineral resources in the survival of this Nation; but this bill, I would suggest to the gentleman, is an important landmark or turning point in that fundamental recognition.

The gentleman has labored and pushed as hard and as long as I have, as mining chairman, on this vital issue. I think inasmuch as this bill represents that kind of turning point, I hope that the gentleman would fall to his knees, recognize that on the road to Damascus he has been converted and endorse and support this legislation. Is that conversion forthcoming?

Mr. SYMMS. Mr. Speaker, I thank the gentleman very much.

I would only say that it would be my fondest hope that the gentleman's best wishes would be realized and would come true that this is a turning point; however, it would have been so simple just to exclude it from the wilderness area. That, then, would be a very clear indication of congressional intent that cobalt would have a priority.

As I said earlier, the Wall Street Journal article quotes a high-ranking official in the U.S. Forest Service saying that this is going to be tied up in and out of court for many years to come.

The basis that they will have will be the fact that as long as it does not significantly impair the overall habitat of the Big Horn Sheep located within and adjacent to such zone.

There, for the edification of miners, they make lamb stew out of Big Horn Sheep. That is the problem. That is the problem we are facing.

Mr. SANTINI. Mr. Speaker, if the gentleman will yield further. I think the gentleman read that out of context. If the gentleman took the entire language together, there is hardly anyone that could reasonably suggest that even a babbling bureaucrat who volunteered that statement in an obvious attempt to denigrate the gentleman's efforts and mine, would be able to overturn that legislative expression, because the statement the gentleman read is preceded by a statement, "subject to the above provisions of this statute," and this language. I think that is obviously compelling and controlling and it is the first time we have had that kind of expression in legislative language.

The SPEAKER pro tempore. The time of the gentleman from Nevada has again expired.

Mr. SYMMS. Mr. Speaker, I yield myself 1 additional minute.

Mr. Speaker, I would just say to my

friend, the gentleman from Nevada, that we do need to make it absolutely clear for the future Members of this body and for the other body that there is an interest in the future to further expand into that cobalt belt, that this Congress insists that it is the intent of Congress that cobalt shall be extracted.

□ 1440

I would share the concern of the gentleman from Nevada, but our past experience leads me to the conclusion that it will not happen. As the gentleman said, there is no conservation unit where there have been successful mining operations. But there is no wilderness area where they have been successful either.

I hope this is the first. But I have less confidence in the Government processes and the ability because of the bias which our land managers might have in the future to twist this law against our congressional intentions.

Mr. Speaker, I reserve the balance of my time.

Mr. SEIBERLING. Mr. Speaker, I yield myself 3 minutes.

Mr. Speaker, I just would like to add a couple of comments here. I do not think there is any argument on either side of the aisle in the Committee on Interior and Insular Affairs or in the House, or probably in the other body either, that to the extent cobalt is located in this area, in mineable quantities, it must be developed. There is no question but what cobalt is almost a unique material in the sense that it is in scarce supply in the United States and is absolutely vital to our national defense.

I concur, certainly, with that conclusion and I think from our hearings that was established beyond any doubt.

I would like to point out a couple of other things. First, in all versions of the bill the existing cobalt mine, the so-called Blackbird Mine, was excluded from wilderness and a substantial buffer area placed around it so that that mine could resume operating any time it saw fit without any hindrance whatsoever from the Wilderness Act.

Second, I think we all agreed that as far as the existing cobalt trends are concerned, which are the probable extensions of the deposit from where the existing mine is located running roughly northwest from that area, they must be explored and if cobalt is found in mineable quantities, commercially mineable quantities, it must be mined. For that reason the conference report makes it absolutely explicit that that shall be the dominant use, if cobalt and associated minerals are found in that area.

So I do not see how there could be any possible question about it. Lest there be any doubt, while we had some disagreements as to the best method of insuring that, I personally subscribe to that, as I am sure do all of the other members of the conference.

I would also like to add a couple of other things. The Governor of Idaho supports this legislation. The Idaho Game and Fish Department supports this legislation. The people of Elk City, Idaho, where there is an existing sawmill, not only came and testified in support of it but personally gave me a beautiful cake in thanks for my support of Senator CHURCH's efforts to help protect their industry there.

As I pointed out in my remarks, this bill will actually release more timber and allow an increase in the amount of timber available for logging in Idaho.

So I do feel that there has been careful attention paid to the needs of both the local forest products industry and the mining industry.

Mr. Speaker, I now yield 5 minutes to the gentleman from Minnesota (Mr. VENTO).

Mr. VENTO. I thank the gentleman from Ohio, the manager of the bill, for yielding time to me on this particular issue. We spent considerable time in subcommittee on hearings on this matter and in full committee. I was privileged to be appointed to the conference, and had had a number of meetings with participants on the subject.

I do want to rise in support of this measure. I have been interested to note the language. I paid close attention to the language before I agreed to the conference because I knew that it was a point in issue, and the issues surrounding cobalt were very important.

I think it is also important for all of us to recognize that time and again we look at charts and statistics indicating the amount of the various minerals that we import in this country. That is not to say we do not have the minerals here, but we just find it easier, we find it cheaper and more convenient to import those minerals. Whether the lands are in public ownership or private ownership, whether they are wilderness or not; whether they are managed from a multiple standpoint or a single-purpose standpoint; that is not the only criteria governing whether or not we produce or manufacture or mine those minerals and resources that we use.

One of the most important facts to keep in mind about American consumption is that we consume far more than what our proportionate share is according to the world population, whether we are talking about energy or hard rock minerals.

The second point we have to look at is the various types of land classification that we get involved in at the national level with regard to public lands. Indeed, one of the hallmarks in terms of land use classification was the 1964 Wilderness Act.

I think very often the act's flexibility and application are misunderstood. Very often it is very narrowly defined as to what can and cannot be done on land that is designated "wilderness."

One thing that is true is that it is a classification that has not been with us for long, that has not been the subject of adjudication, and that is not always understood for what it does. Within the context of the Wilderness Act, there are a variety of uses that can take place.

I was pleased to note in this instance that the conferees, with myself agreeing, decided to go an extra step in terms of trying to deal with the issue regarding cobalt. In looking at the statement of the managers on page 19 of the report, it leaves no doubt as to the fact that underground mining of cobalt can occur and it can be mined in conjunction, if it is found with other types of minerals. Of course, that is the primary use.

On the bottom of that page it states "the provisions of section 4(b)(3) of that act, closing wilderness areas to the general mining laws at the end of 1983, do not apply to cobalt and associated material-related activities within the Zone."

It also continues to state:

Notwithstanding the fact that the Zone is within the exterior boundary of the wilderness. The conferees adopted provisions because of the 16-year history of restrictions on mining within the National Wilderness System and the unique circumstances surrounding the mineral cobalt.

Mr. SYMMS. Mr. Speaker, will the gentleman yield?

Mr. VENTO. I am happy to yield to the gentleman.

Mr. SYMMS. Mr. Speaker, did I understand the gentleman to make some reference to underground mining?

Mr. VENTO. I referred to underground mining on page 19 of the committee report.

Mr. SYMMS. If the gentleman will continue to yield, I would like to ask the chairman of the Subcommittee on Mines and Mining if that was his understanding, that limitation.

Mr. SEIBERLING. Mr. Speaker, will the gentleman yield?

Mr. VENTO. I am happy to yield to the gentleman.

Mr. SEIBERLING. The original Senate bill limited mining to underground mining, but the conference report makes it absolutely clear that mining, both ground and underground, can take place. The only limitation is that more land than is necessary not to be required for such purposes.

Mr. VENTO. I thank the chairman for that clarification and the gentleman from Idaho for that question.

I think the point I am trying to make is clear with regard to the fact that this is treated uniquely with the context of a wilderness area. In other words, wilderness areas are not a single use, necessarily, but but there are variations or modifications with regards to water, with regards to timber cutting in various types of wilderness, not necessarily in this. I do rise in support of this conference report.

□ 1450

Mr. SYMMS. Mr. Speaker, I yield myself 2 additional minutes.

Mr. Speaker, I appreciate the remarks that the gentleman from Minnesota (Mr. VENTO) made, but I just think that we ought to pay considerable attention to the implications of his remarks. We have a tremendous balance-of-payments deficit with respect to minerals and nonfuel minerals. I think it is somewhere in the neighborhood of $8 billion a year at the present time. It has been predicted my many experts in this field in our own Government that if we continue on the course we are going, by the year 2000 it may be a $100 billion deficit. What we are doing by saying that we would prefer to buy those minerals overseas instead of mining them here is we are ex-

porting jobs from the men and women who live and work in this country. We are exporting revenues. Lead processing, for example, has dropped in half from what it used to be. It has gone out of the country. In the last 10 years, copper imports are up 300 percent, and we are a country that has adequate supplies of copper.

But the reason we are not getting the mining done is because we are making it so difficult for those people who try to produce minerals and new wealth out of the soil in extraction industries. I think the Members of this House need to recognize in this wilderness and many others we do not know what else is in the cobalt belt. Until someone digs for it, we really never know what is underground or behind the next face of rock so they can estimate our resources. But we are talking about spending millions of dollars and risking in great part the savings of the American people, and if it gets too difficult, mining companies simply will not go into wilderness looking for minerals. That is in the long run what is weakening our industrial base in this country.

Of course, you can always say the Congress can come back and reverse its decision, but, Mr. Speaker, it will be too late by the time we recognize it because our adversaries in the world have a timetable for when they want to absolutely control the resources in the world. So the clock of history is running. You cannot just go out here and get Congress to move and take wilderness areas and put them in multiuse areas and encourage mining to take place and have it happen overnight. I think this bill goes way too far. It is going to cost 10,000 jobs in Idaho, by the AFL–CIO estimate. I urge defeat of this conference report in the name of jobs in Idaho, recreational values, and all in the name of national security.

Mr. SEIBERLING. Mr. Speaker, I yield myself 1 additional minute.

Let me simply say that, as best we can determine, this bill will eliminate no existing jobs in the State of Idaho and in fact will protect some of them.

Let me take this opportunity also to express my appreciation and thanks to the gentleman from Nevada (Mr. SANTINI) who, despite some misunderstandings and some differences between us as to detail, has kept his eye on the ball and worked out provisions that will insure the development of the vital strategic resources of this area. I think that we are all grateful to him for his interest in substance and not mere form.

I want to thank the chairman of the committee, the gentleman from Arizona (Mr. UDALL), as well as many of the other members of the committee on both sides of the aisle who approached this with a view to the big picture. They helped us work out a very reasonable and balanced bill.

Finally, Mr. Speaker, I wish to express my personal commendation and the thanks that I believe we all owe to Senator FRANK CHURCH for the long, thoughtful and painstaking efforts he made to evaluate all of the many complex factors that affected this legislation. Without these efforts, it would not have been possible to write this bill, which protects both local and national interests and both natural and economic values. The people of the Nation will be indebted to him for all the years to come, but particularly the people of Idaho, who will be the prime beneficiaries of this truly magnificent achievement.

Mr. Speaker, I yield back the balance of my time.

● Mr. KOSTMAYER. Mr. Speaker, I rise in strong support of the conference report on S. 2009, the bill designating the River of No Return Wilderness in central Idaho.

Others have discussed the general provisions of the bill and the many ways in which it would add to the protection of one of the greatest unspoiled areas still within the ownership of the American people. I want to address the provisions of the conference report which deal with the protection of the Salmon River.

As passed by the Senate, S. 2009 designated 125 miles of the Salmon River as a component of the National Wild and Scenic Rivers System. The 46-mile portion of the river from the confluence of the North Fork of the Salmon downstream to Corn Creek would be managed as a recreational river and the 79-mile segment from Corn Creek to Long Tom Bar as a wild river. Both segments would be administered in accordance with the provisions of the Wild and Scenic Rivers Act even though portions of both stretches run through the new River of No Return Wilderness and the Gospel-Hump Wilderness.

The Senate bill also insured that existing jetboat use of these segments would be permitted to continue at not less than the level of use which occurred during calendar year 1978. The House version contained identical provisions, but added the 53-mile segment of the river from Hammer Creek to the confluence of the Snake River as a component of the system and banned dredge and placer mining in the wild and scenic stretches of the Salmon River and on the Middle Fork of the Salmon and its tributaries in their entirety.

When the bill was being considered in the House I offered an amendment which would have expanded the portions of the river to be covered by the Wild and Scenic Rivers Act's protective provisions. While that amendment was not adopted, the conferees did agree to apply the provision of the Wild and Scenic Rivers Act precluding impoundments to the Hammer Creek-Snake River segment of the river, and also to adopt the House ban on dredge mining within the three segments of the main Salmon River and within the entire Middle Fork and its tributaries. I strongly support these steps to protect the free-flowing nature and the purity of the waters of the Salmon River.

Fisheries experts from throughout the Pacific Northwest have emphatically stated that the construction of even one dam on this river would effectively nullify the massive Federal-State commitment to the restoration of the Columbia River salmon and steelhead trout populations to the historic levels. Since the Salmon River drainage is by far the most important single portion of the Columbia River Basin for the production of salmon and steelhead, one dam on this river could lead to the extinction of several species of anadromous fish. That would indeed be a national tragedy.

Based on recently available evidence, the conferees were convinced that dredge and placer mining in the Salmon River drainage is incompatible with the preservation of the anadromous fish runs. For the fish, there is no safe time of year for dredging. In the spawning season the fish are wary and easily diverted by human activities in the middle of their migratory streams. After the eggs are laid, they are especially susceptible to the silting and streambed disturbance that occurs when dredging takes place. The newly hatched fry which hold in the headwaters for a time can be killed outright by silt or exposed to predators by instream turbulence. In short, dredge mining can have a severe and irreparable effect on fish spawning, hatching, and survival.

Some knowledgeable fisheries experts believe that every salmon and steelhead now running within the Columbia River Basin is a member of either a threatened or endangered species. The 1979 runs of spring and summer chinook salmon were the lowest on record. Combined with the disturbance of the runs caused by the recent eruption of Mount St. Helens in western Washington State, dredge mining could definitely threaten the survival of one or more species.

Records of dredge mining in some parts of Idaho indicate that it can take many years for streams to recover from dredge mining activities, if they recover at all. For example, experience in the 1950's with Bear Valley Creek—which together with Marsh Creek forms the headwaters of the Middle Fork of the Salmon River—indicates that dredging results in dramatic increases in sedimentation, which disrupts the spawning beds. Even though it has been more than 20 years since the last dredge mining took place in Bear Valley Creek, the stream is still contributing more than twice its normal silt load to the Middle Fork. Applications to resume commercial dredging are pending on Bear Valley Creek at present.

Mr. Speaker, the dramatic increase in world gold prices in the past months has led to a wave of permit applications—both commercial and "recreational" applications—for other portions of the Salmon River drainage. In the opinion of many, the recreational dredge miners pose the greatest single threat to the water quality of this basin. If allowed to continue, these operations will destroy the gravel beds that are the spawning areas of the steelhead and salmon. That cannot be allowed to happen.

Adoption of the conference report will be a major step to protect the enormous public investment which the Nation and the Northwest have made in the perpetuation and enhancement of the fish runs of the Columbia River system, which is of economic significance for the

entire country. I believe that in the future—I hope, the near future—Congress may decide to take other careful and conservative steps, such as those which are in the conference report, to protect and enhance these resources. In the meantime, I urge my colleagues to join me in voting for passage of the conference report on S. 2009.●

● Mr. JOHNSON of Colorado. Mr. Speaker, this conference report really offers a mixed bag of important issues. The resolutions presented here do not satisfy all of the interest groups, Members of Congress, and other citizens who are very much interested in the outcome of this legislation.

On the positive side, the bill which is sent to us from the conference committee, provides substantial additions to the National Wilderness Preservation System. While at times we may differ regarding the total amount and the location of specific wilderness proposals, we do agree that there are areas of our Nation which should be protected and preserved in their nearly natural state so they may contribute to our national treasure. That is a valid and appropriate goal which we share. The problems arise when we get down to specifics, and begin to look at the economic and social impact of such actions on the local communities and citizens involved. That is also an important and valid concern.

The conference report on S. 2009 designates as wilderness, 2.3 million additional acres of national forest lands in the State of Idaho. The result is the creation in central Idaho of the largest contiguous wilderness area in the Lower 48 States. In addition, the bill as formulated in the conference committee, adds 125 miles of the main Salmon River to the National Wild and Scenic Rivers System, and restricts certain types of development on other parts of the river not officially designated as wild, scenic, or recreational in the statute.

Another positive aspect of the conference committee product is the statutory accelerated review, administratively and judicially, of two major land management plans which have been the subject of controversy and delay for many years. The language agreed to in the conference committee will result in a more timely final decision regarding these land management plans, while leaving the substantive decisions with the proper administrative agency, subject to timely judicial review if necessary.

From my point of view, the legislation worked out in the conference committee has two major failings which are of national significance as well as being of direct concern to the residents of the State of Idaho.

The first concerns the area which was the most controversial during the lengthy deliberations over this legislation—the West Panther Creek area. In this particular area of the River of No Return Wilderness proposal, there lies a very likely potential for the discovery and development of significant deposits of cobalt. As we have heard documented here on prior occasions, the U.S. imports come from countries such as Zaire and Zambia, and thus are not secure sources of supply. We simply must, for our national security needs, develop the available cobalt resources in our own country.

The House-passed version of S. 2009 excluded this particular area from the proposed wilderness. The Senate version of the bill put this potential cobalt area in wilderness, but made provisions for underground mining of the area. A majority of the House-Senate conferees, without much of a fight from a majority of the House conferees to uphold the House position, voted to put the area into the proposed wilderness, but to treat this particular area essentially as if it were part of any other forest, for purposes of mining cobalt and associated minerals.

The area, although in the wilderness, is designated as a "special management zone," with the language asserting that prospecting and exploration for, and the development or mining of cobalt and associated minerals is to be dominant use within the wilderness. Let me repeat that, for this is a rather unique precedent we are setting here. The prospecting, exploration, development or mining of cobalt and associated minerals is to be a dominant activity within this part of the River of No Return Wilderness area. This activity, within the wilderness area, will be subject only, for the most part, to the routine laws and regulations regarding mineral development in any national forest not designated as wilderness.

My concern is that either one of two things will happen. If indeed it turns out that development and mining of cobalt does in fact take place in this area—and I am not entirely convinced even this language will ultimately result in such activity—but if it does, then it will result in a severe and disastrous denigration of the meaning and intent of a national wilderness area. If this activity does take place in this part of the wilderness area, it will hardly present an enjoyable wilderness experience or provide an opportunity for solitude and communing with nature as described and promoted in the Wilderness Act of 1964.

If, on the other hand, this statutory language turns out to be unworkable and does not result in the development and mining of the cobalt within the wilderness, then we have locked away this valuable resource. To unlock it will require another act of Congress, and will put a future Congress through the agony and confrontation which has burdened this Congress in developing this legislation.

We should have addressed the issue directly, by leaving out of wilderness at the very least, as Congressman SYMMS proposed in conference, the 39,000 acres identified as the area of most significant cobalt potential. A majority of the conferees rejected this approach. So the area remains in wilderness, and we will just have to wait to see if we end up denigrating the wilderness area, or locking up this strategically important mineral resource.

The other major issue concerns the future treatment of the areas not designated wilderness by this legislation, those so-called "nonwilderness" areas allocated by the RARE II process. We have not addressed that issue in the language of the bill. An attempt is made to speak to the issue in the statement of the managers. Many of us believe that effort is not sufficient to ward off future delays in the planning process regarding the multiple-use management of these areas for the development of the several other resources on and under these forest lands.

There is not statutory language in this bill to guard against the type of lawsuit which was filed and ruled on in California, the California against Bergland suit. That resulted in the U.S. district court requiring additional site-specific environmental statements on each of the 46 nonwilderness areas which were the subject of that suit. Such a lawsuit could happen again in other areas of California, as well as in Idaho, Washington, Arizona, North Carolina, Pennsylvania, or in about 30 some other States where RARE II lands are located.

There is no language in this bill to release the nonwilderness lands back to the national forest management planning process. Although an attempt is made to address this issue in the "report language" of the conference committee, there are serious doubts that such a vehicle will withstand challenges in court. Unless and until such provisions are written into future statutes which will be forthcoming to designate RARE III wilderness areas in all these other States, there will be no assurance as to exactly what forest lands will be available for multiple-use management for purposes other than wilderness. There will always be the cloud brought by lawsuits regarding wilderness considerations for these lands. We missed—rather, we neglected—our responsibility in that regard in this legislation.

We can be proud of the positive aspects of this conference report, but in my view we did not complete the job. I hope my colleagues will give serious consideration to these additional statutory needs as we continue to develop RARE III wilderness bills pertaining to most of the rest of the States represented by the Members of this House.●

● Mr. VENTO. Mr. Speaker, I rise in strong support of this conference report on S. 2009, the Central Idaho Wilderness Act. In particular, I wish to stress the great importance which protection of this magnificent area has for fish and wildlife habitat and values.

The area involved, which would be designated as the "River of No Return Wilderness" is within the Columbia River basin in central Idaho approximately 80 miles northeast of Boise. Most of the area is within the drainage of the Salmon River and its tributaries. The Middle Fork of the Salmon River, a unit of the Wild and Scenic River System, passes through the area for a distance of about 104 miles. Elevations range from 2,200 feet near Mackey Bar to over 10,000 feet in the Bighorn Crags. These crags and the canyons of the Middle Fork and main Salmon Rivers are the dominant land features.

These undeveloped areas of central Idaho encompass vast, rugged, scenic, and mountainous lands, with towering peaks and deep canyons. They embrace

the Salmon River with a gorge that is the second largest in the continental United States. The area offers habitat for large herds of deer and elk. Bighorn sheep are a common sight along the rivers.

The anadromous fishery is composed of chinook salmon and steelhead trout. Both migrate nearly 1,000 miles from the ocean to spawn. The resident fishery is found in both the lake and stream environments. Native game fish include cutthroat, dolly varden, rainbow, whitefish, steelhead trout, and sturgeon, plus kokanee, and chinook salmon.

Among over 190 wildlife species are mule and whitetail deer, elk, moose, bighorn sheep, mountain lion, black bear, and mountain goat. Less common species are the fisher, wolverine, lynx, peregrine falcon, bald eagle, osprey, and river otter.

The proposed wilderness contains the finest major year-round undisturbed elk habitat in the Nation, and perhaps the largest elk herd. It is home to Idaho's most prolific bighorn sheep herd. Additions of several key areas surrounding the existing primitive areas will insure that key wildlife wintering habitat is preserved in its natural state.

The Salmon River drainage, much of which is protected in S. 2009 by either wilderness or wild and scenic river designation, is the most important in the entire Columbia River basin for chinook salmon and steelhead. The importance of the river was highlighted in the testimony of the Idaho Game and Fish Commission during the Public Lands Subcommittee hearings on S. 2009:

> The Salmon River drainage provides spawning and rearing areas for more spring and summer migrating chinook salmon than any other drainage in the Columbia River Basin. The Salmon River produced 98 percent of the annual chinook harvest (all sport fishing) in Idaho when the chinook were being fished. It produces more than one-half of the Columbia River steelhead.

In addition, both the main Salmon River and the wild Middle Fork are among the most popular whitewater rivers in the Nation.

The permanent wilderness protection of S. 2009 is supported by Idaho's guides and outfitters, who make up a fast-growing sector of the Idaho economy which directly brought in over $23 million to the State in 1978.

Mr. Speaker, enactment of this legislation will mark a major step for continued protection of some of the finest fish and wildlife values in the Nation. It will be a boon to all those who use and enjoy those values. I note that according to Forest Service figures included in the original report of the Senate committee, these values have supported more than 147,000 visitor-days for hunters, and more than 33,000 visitor-days for fishermen.

As one with a particular concern for fish and wildlife and for those who are supportive of their scientific, educational, recreational, and economic purposes, I urge all Members to endorse this conference report and vote for designation of the River of No Return Wilderness.●

● Mr. HANSEN. Mr. Speaker, today we will be voting on the conference report on S. 2009, the Central Idaho Wilderness Act of 1980. This conference report has been referred to as a "compromise." In my opinion, it is a concession to certain interests.

Without reviewing in detail the specific provisions of the bill which has already been done at length, I would like to refer to the most controversial compromise called the West Panther Creek cobalt area. The House-passed version excluded 50,000 acres from wilderness. The compromise placed 63,000 acres in wilderness in a "special mining management zone" with cobalt and associated minerals to be considered a dominant use but subject to "such laws and regulations as are generally applicable to national forest system lands not designated as wilderness." That last statement is one that causes me great concern, bureaucrats will decide the regulations that are applicable.

Several years ago, when the Gospel Hump Wilderness was created, in Idaho, there was a great compromise which guaranteed certain uses such as grazing. The administrative realities are such that regulations are actually restricting uses which Congress had no intention to restrict such as "requiring a permanent rider with 100 head of cattle at least 3 days per week." In a recent letter from the Idaho Cattlemen's Association the situation was described such that "Current wilderness regulations allow grazing within these areas, but regulations like these render economical use impractical." Will the currently proposed compromise bring the same results in the central Idaho wilderness?

Although very few people will argue against wilderness concepts, excessive removal of large areas for single use begins to be objectionable. In a recent survey of Idaho residents by Boise State University student researchers during a period of April 16 through May 9, 1980, it was determined that the majority do not want any more wilderness. In this survey, 47 percent did not want further wilderness, 38 percent wanted more wilderness, and 14 percent had no opinion.

The implications of wilderness withdrawal go beyond what the local impact may be to an individual community. When a specific strategic mineral has clearly been identified, such as cobalt, the impact becomes even more apparent. In 1960, America imported 52 percent of its nonferrous metal needs. In 1978, the dependence rose to 64 percent. We import only 47 percent of our oil and gas and we consider it to be an energy crisis. I submit that we have a disaster on our hands regarding mineral dependence. We are locking up our public lands at an unprecedented pace and the implications are indeed ominous. Can we afford this degree of withdrawal?

The people of this country are not now being given the clear choice which reflects these larger issues. Hopefully the Congress will provide that information and be willing to make these difficult choices in a balanced and reasoned approach. I ask my colleagues to defeat this conference report as it is not representative of the interests of Idahoans in particular and the Nation in general.●

Mr. Speaker, I move the previous question on the conference report.

The previous question was ordered.

The SPEAKER pro tempore. The question is on the conference report.

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

Mr. SYMMS. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The SPEAKER pro tempore. Pursuant to clause 5 of rule I, and the Chair's prior announcement, further proceedings on this question will be postponed.

RAIL ACT OF 1980

Mr. FLORIO. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 7235) to reform the economic regulation of railroads, and for other purposes.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from New Jersey (Mr. FLORIO).

The motion was agreed to.

IN THE COMMITTEE OF THE WHOLE

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill, H.R. 7235, with Mr. AUCOIN in the chair.

The Clerk read the title of the bill.

The CHAIRMAN. Pursuant to the rule, the first reading of the bill is dispensed with.

Under the rule, the gentleman from New Jersey (Mr. FLORIO) will be recognized for 1 hour and 30 minutes, and the gentleman from Illinois (Mr. MADIGAN) will be recognized for 1 hour and 30 minutes.

The Chair recognizes the gentleman from New Jersey (Mr. FLORIO).

Mr. FLORIO. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, reform of the regulatory structure governing the railroad industry is essential not only to the economic health of the rail industry, but also to the economy of this country. Although railroads carry over one-third of the Nation's freight and most of its bulk rail oriented commodities such as coal, grain, and chemicals, the industry is in dire financial straits. Over the years the railroad's market share has declined, profits have fallen, and costs have soared.

The pervasive regulatory system that developed over the past century is, in large part, responsible for the failing financial condition of the industry today. A change in the regulatory structure is needed to require railroads to make sound economic decisions and to require them to begin competing in the marketplace.

If we do not do something to make the railroads more competitive, we inevitably will be faced with more railroad bankruptcies and Federal subsidies. This Congress has passed legislation dealing with two railroad bankruptcies in the past year, at a cost to the taxpayer of millions of dollars and the loss of over 10,000 miles of rail service. Over $11 billion in Federal subsidies has been spent on the rail system in the last 5 years.

We can avoid a continual drain on the Federal budget by providing regula-

tory relief for the industry. If we reduce Federal regulation and allow railroads to compete with their largely unregulated competitors, the industry will be able to generate the financing necessary to maintain their facilities in order to continue essential services.

If we allow the present rigid regulatory structure to continue, the railroad industry will inevitably need billions of dollars in Federal assistance to survive. I would warn you about amendments to be offered, that will effectively preserve the regulatory status quo.

H.R. 7235 protects large and small shippers from the potential abuse of market power by a railroad. The bill retains the Interstate Commerce Commission's jurisdiction over rail rates when the shipper has no practical alternative means of transportation, and the Interstate Commerce Commission retains its present ability to require that rates be reasonable.

The provisions governing maximum rate regulation place the burden of proof on the railroad to demonstrate two things—that alternative transportation is available and that the rate charged results in revenues greater than that needed for the industry to cover costs. The availability of alternative transportation is a sound economic test which exists in present law. Although the formula for determining the "cost recovery percentage" or revenue level needed for the industry to cover its costs is a complex one, the theory is simple. All businesses must cover their costs if they are to stay in business.

I believe this provision will provide the carriers sufficient maximum rate freedom to respond to the marketplace, while protecting those shippers who have no competitive alternative.

Since this approach will allow the carriers significant rate freedom, there will no longer be a need for general rate increases which are annual across-the-board percentage rate increases on all traffic. Substantial price freedom must carry with it the requirement that railroads begin looking at the competitive situation of each rate instead of across-the-board increases. Rates have gone up 143 percent via general rate increases since. The shipping public should be and is pleased with this program.

The legislation offers new rate and service options to shippers, which should be particularly beneficial to those shippers that are dependent upon rail. The bill makes it easier for railroads to raise rates for noncompensatory traffic so that some shippers will no longer have to subsidize others that are not paying enough to cover the railroads' variable costs of providing the service.

This bill will allow and encourage contract ratemaking, but under the supervision of the Interstate Commerce Commission to insure that a railroad does not impair the ability it has today to fulfill its common carrier obligation. Once the Commission has approved a contract, it would be enforceable and a breach would open the parties to normal contract law remedies.

Seventy percent of our Nation's rail traffic travels over two or more railroads to get to its final destination. The bill includes an essential but modest provision that modifies the manner in which carriers split joint revenues among themselves. Simply, it allows a carrier to at least cover costs on its share of any rate.

Without this provision many railroads, including Conrail, will be forced to continue to carry traffic where they are not even covering their costs. When Conrail is carrying the traffic at a loss, the Federal Government ends up footing the bill, with taxpayer dollars. Neither Conrail nor any other railroad should be required to perform a service and lose money.

Provision provides for elimination of collective rate setting. Competing railroads being able to legally fix prices is incompatible with spirit of bill which relies on marketplace.

One of the most important features of this bill is the cost determination section which insures that railroads will develop the costing and accounting capability necessary to provide accurate cost data. In the course of hearings and other investigations into the rail system, it became apparent that the industry is years behind other industries in establishing accurate cost information. Not only does this cause a serious problem for shippers and others, but it causes an even more serious problem for the railroads themselves. The railroads are unaware of their actual costs.

They are unable to determine when they are making money and when they can adjust a rate up or down to maintain existing traffic or seek additional traffic.

The bill takes an innovative and bold approach to the costing issue by establishing a railroad accounting standards board under the direction of the Comptroller General. Within 2 years, the board shall promulgate cost accounting standards that shall be applicable to the entire railroad industry. The standards shall insure that, to the maximum extent possible, railroads accumulate costs which identify the cost of individual commodity movements on specific segments of railroad property.

These are the major provisions of H.R. 7235. I believe it provides a regulatory structure which will allow our railroad system to grow, and more importantly, to begin operating with maximum efficiency. Uneconomic decisions which waste shippers' dollars and consumers' dollars can and will be avoided. I do not believe there can be any question that greater competition and the establishment of an atmosphere where the market forces will require rational economic decisions, not government regulation, will result in the lowest possible rail rates. A healthy railroad network as an important part of our transportation system.

In concluding, I will insert in the RECORD at this point a letter from the Chairman of the Interstate Commerce Commission with regard to an amendment which is to be offered by the gentleman from Texas.

INTERSTATE COMMERCE COMMISSION,
Washington, D.C., June 27, 1980.

HON. JAMES J. FLORIO,
Chairman, Subcommittee on Transportation and Commerce, Committee on Interstate and Foreign Commerce, House of Representatives, Washington, D.C.

DEAR CHAIRMAN FLORIO: This is in response to a request from your staff for my comments on a series of amendments which may be offered to H.R. 7235, the "Rail Act of 1980." In the interest of time, I am submitting my personal views on this matter rather than those of the entire Commission. Also, I will follow the order of the amendments as set forth in the "Summary of Coalition Railroad Ratemaking Amendment to H.R. 7235." Attached please find my comments.

Sincerely yours,

DARIUS W. GASKINS, Jr.,
Chairman.

Attachment.

I. In determining if a rate is reasonable, this amendment would require the Commission to consider the impact of a proposed rate on the attainment of national energy goals. This amendment would appear to shift the emphasis now contained in the bill that efficient rail carriers shall earn adequate revenues. I believe such a shift is ill-advised.

The Commission is sensitive to the problems confronted by coal users in recent years, and of the increasing need to utilize coal to help solve the Nation's energy problems. Nonetheless, we must also be sensitive to the needs of the railroads to earn adequate revenues in order to be able to provide the expanded level of service that will be necessary in order to move the large volumes of coal which are projected to move. As you know, the railroad industry in general is currently in poor shape financially, and, simply put, needs the flexibility to adjust its rates more readily in order to earn the revenues necessary to raise the capital it will need. The alternative is for the Federal government to finance these needs and I don't find that desirable. I think the bill strikes the proper balance between competing goals by emphasizing the need for adequate revenues.

II. These amendments would modify the two separate ways in which a rail carrier could establish that there is effective competition with respect to the transportation to which a challenged rate applies. The effect would be to make it much more difficult for a carrier to establish that there is effective competition and thus no Commission jurisdiction over the rate. The summary states that this will result in a reduction of the threshold test for the Commission's jurisdiction from around 200 percent of variable cost to around 160 percent of variable cost.

Our rough estimates indicate that the predicted reduction from 200 percent to 160 percent is probably accurate. This figure approximates the jurisdictional threshold currently used by the Commission under the market dominance standards, and thus likely would not modify the existing situation significantly. The major problem with this is that, in my opinion, it does not give the rail carriers the necessary flexibility to respond quickly to different market conditions. It thus cuts against the general goal of the bill to accord carriers greater flexibility and management discretion. Furthermore, since rail carriers need a 150 percent revenue-to-variable cost ratio on all commodities to achieve an adequate return, a 160 percent threshold does not give sufficient recognition to the fact that many commodities must move at rates below 150 percent (but still above variable costs) because of the presence of competition. The amendment would therefore tend to perpetuate the industry's chonically low rates of return.

I believe greater ratemaking latitude is necessary, especially in light of other provisions of the bill. The curtailment of permissible rate bureau activity, for example, will create a more balanced marketplace where carriers are forced to compete with respect to rates.

With regard to the determination of ac-

tual or potential transportation alternatives, I do not believe, contrary to the thrust of the amendments, that the mere existence of a contractual obligation to ship between specified points should be determinative as to whether competition exists. First, contracts are optional, and shippers enter them only if they see an advantage (price, service, or both) to doing so. Second, contracts frequently have clauses allowing the shipper to lower the amount of a commodity shipped from a certain origin, thus allowing the shipper to negotiate for other sources of supply for at least a portion of its needs. These clauses may give shippers the leverage to obtain lower rates via a renegotiated agreement. Finally, some of the agreements now in effect are nearing their expiration date, again giving the shipper leverage to renegotiate or negotiate with other sources of supply.

In sum, the mere existence of a contractual obligation does not necessarily mean that a shipper is locked in to a single source of supply and is without bargaining power. I admit that in some instances this could be the case, but it must be remembered that in such a case the shipper, in essence, has voluntarily agreed to be locked in, and ought not be rescued by the government from the effects of its own poor business decisions.

With regard to the 70 percent market share provision, the Commission's experience with using a market share concept has not been satisfactory. Not only is it difficult to determine the relevant transportation markets, one must also then look at the product market and make a subjective judgement about what constitutes a practical, economical transportation or market alternative. These assessments are expensive, time-consuming, and controversial. If a market share test is to be used at all, I think it should merely be a rebuttable presumption—a sort of flag to indicate that there may be problems, not a final determination as to the issue.

III. This amendment would eliminate a rail carrier's right to impose surcharges on joint rates, and instead would require the ICC to resolve divisions disputes expeditiously. I would first note that the 4R Act contained very similar language and accomplished very little, since divisions cases are inherently long and expensive, and even once the Commission has decided them, are subject to appeal.

More fundamentally, however, I am opposed to the Commission getting involved in these matters which are better handled through private negotiations between the parties. This is not an an issue as to which the Commission can balance competing interests better than the parties can. If the negotiations break down, the ability of a carrier to cancel a joint rate easily should provide the necessary incentive for negotiations to begin again in earnest. In addition, past efforts by the Commission to resolve these disputes have left at least one of the parties feeling short-changed. The usual reaction to such a decision is for the aggrieved railroad to short-change the shipper by offering poor service. Thus everyone suffers. I believe it is preferable to leave the surcharge provision as it is.

IV. This amendment deletes the provision that would give the ICC exclusive jurisdiction over intrastate rates. Although I do not believe it is essential that the Commission be given this jurisdiction, I believe it is important to realize that without it, interstate rail shippers are frequently forced to subsidize intrastate shippers.

Intrastate traffic potentially comes under a different regulatory regime than interstate traffic. For example, requests for rate increases may be denied by intrastate commissions operating under different standards and rules than this Commission. While these requests may eventually be granted by the ICC, the time lag involved still results in a loss in revenues to the railroads which must be made up in higher interstate rates if the carrier is to earn a reasonable rate of return. This disparate treatment of intrastate and interstate traffic is reflected in the difference between the average revenue/variable cost ratios for each type of traffic. These ratios were 1.20 for intrastate traffic, and 1.36 for interstate traffic in 1977.

It should be cautioned, however, that part of the above difference in the revenue/variable cost ratios may be associated with other non-regulatory differences between intrastate and interstate traffic. For example, intrastate traffic involves shorter hauls which generally have lower revenue/variable cost ratios. These lower ratios are perhaps due to the greater degree of truck competition for shorter hauls.

V. This amendment would shift from 40,000 tons to 20,000 tons the cut-off point at which railroads must offer contracts to similarly situated shippers. This would have the result of making more shippers eligible for these contracts, and I, therefore, do not object to it. However, I question whether such a provision is necessary since it seems logical that a railroad would voluntarily offer similar contracts to similarly-situated shippers.

VI. This provision excludes grain and cotton from the demand sensitive rates provision of H.R. 7235. I do not believe there is any justification for such an exclusion. One of the goals of demand sensitive rates is to even out the peaks and valleys of demand so as to assure maximum utilization of cars. Currently, we face chronic car shortages for some commodities or at some periods of the year, while at other times many cars are underutilized. The combination of higher rates at peak periods and lower rates at non-peak periods will encourage some shipments at non-peak periods, thus improving car utilization. Those who wish to get service at peak period, and are willing to pay for it, will be able to get it. Similarly, those who can change their shipping patterns to take advantage of off-peak rates will reap a double advantage of lower rates and greater availability of cars.

The fact that there may be no peak periods for grain and cotton, as some contend, is irrelevant to the issue. The question is whether the railroads have an overall excess of demand for certain cars at certain times. When that happens, it is impossible to decide which shippers caused the problem. But it is necessary to realize that it is expensive for the railroads to maintain the freight car capacity necessary to provide service at such times and that a fair method must be found to allocate such costs. Peak load pricing is the most fair and efficient way to allocate the scarce cars and greater expenses. Thus, I do not believe there is any need to exempt these commodities from the demand sensitive rate provision, and am, in fact, concerned that doing so will exacerbate existing car supply and utilization problems.

Mr. SANTINI. Mr. Chairman, will the gentleman yield?

Mr. FLORIO. I yield to the gentleman from Nevada.

Mr. SANTINI. I thank the gentleman for yielding.

Let me just contribute my initial endorsement of the gentleman's extraordinary legislative labors in this regard. I think the gentleman and the gentleman from Illinois have managed to craft a legislative product that has been so successful, in trying to walk the middle ground of legislative recognition of both sides of this issue, but at the same time not caving in to any one segment of the multitude of interest entities involved in this legislation.

The gentleman has managed to gain both endorsement and support of almost everyone of balanced judgment in every organization of responsible action. Those few entities who remain as detractors are simply those who could not get everything their own way on all things.

I know the gentleman and I had a point or two of disagreement here or there but as we worked to this legislative project, the gentleman as the chairman was remarkable in trying to maintain that balance and that responsible legislative attitude that has characterized almost all of the gentleman's legislative leadership in this Congress. I think it deserves to be said to the five or six of us who are participating in this debate. I commend the gentleman.

Mr. MADIGAN. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, I rise in support of the Rail Act of 1980, H.R. 7235. At the outset, I would like to point out that at the appropriate time Mr. FLORIO will be offering an amendment which changes the title of the act to the "Staggers Rail Act of 1980." I know that all of my colleagues on the floor join with me in looking forward to this tribute to a man who has, for so many years, shaped railroad legislation in this country.

The Rail Act of 1980 is a step toward deregulation of the railroad industry. It is not, by any means, complete deregulation. Under existing law, 100 percent of the railroad business is regulated by the Interstate Commerce Commission. This degree of regulation contrasts sharply with existing regulation for trucks or barges—the railroads' principal competitors. Over 60 percent of truck traffic is not subject to rate regulation. Over 90 percent of barge traffic is not subject to rate regulation. One of the reasons our national railroad system is in such poor condition is the fact that regulation has prevented aggressive competition. Adoption of H.R. 7235 will go a long way toward equalizing the regulatory imbalance between railroads and their competitors.

Railroad entry, operations, and pricing have been subject to regulation by the Interstate Commerce Commission ever since 1887. One of the effects of this pervasive regulation has been to create a system of railroad service and railroad pricing which has virtually no flexibility. This lack of flexibility has contributed to the problem now facing this country with respect to railroad service. Since 1950 railroads have lost nearly half of their share of the intercity freight business. In 1950 railroads accounted for over 70 percent of the intercity freight business on a ton mile basis. Today they have less than 35 percent of that business. This decline in market share, coupled with the changing nature of our national economy, has placed railroads in a precarious financial position. In the last 10 years we have witnessed nearly a dozen major railroads in bankruptcy. During this Congress we have had to deal with both the Milwaukee and Rock Island bankruptcies. Those bankruptcies are but symptoms of a system that is not working well. H.R. 7235 represents a comprehensive approach for changing the economic environment in which railroads must do business.

In effect, Mr. Chairman, H.R. 7235 is a modernization of regulation. It represents an attempt to have regulation

where it is needed but to discourage regulation where it is not needed.

Title I of the bill sets the tone for future regulation of railroads. It establishes a separate railroad policy to guide the Interstate Commerce Commission in its future action. That policy is a simple one. It requires regulation where it is necessary to prevent an abuse of monopoly power. It discourages needless regulation by relying on the competitive forces of the marketplace. Where there is regulation, it encourages the Commission to place a primary emphasis on the adequacy of railroad revenues and the financial needs of the industry. It seeks to encourage a rebuilding of the American railroad system. It seeks to assure that this Nation will have fast, reliable, and efficient railroad service now and into the next century.

To accomplish those goals it becomes necessary to modernize existing regulation. The first area for regulatory modernization relates to railroad rates. Title II of the bill sets forth the proposition that there should be regulation of railroad rates only where there is an absence of effective competition. The bill establishes two workable tests for determining where there is effective competition. The first test is the availability of alternate transportation or market competition. In many ways this test is a refinement of the existing market dominance test. The second test simply uses a number which reflects that point at which railroads recover their costs. It is termed the "cost recovery percentage." The cost recovery percentage is a number which will vary depending upon the financial health of the railroad industry. It is a number which the Commission must determine on an annual basis from a statistically reliable sample. It is a number which takes into account the fact that different railroad movements make different contributions to railroad fixed costs.

Whenever there is a rate increase for a particular movement of traffic, the burden will be on the railroad to demonstrate that there is effective competition. If there is effective competition, the Commission will have no jurisdiction over the reasonableness of the rate. On the other hand, if there is an absence of effective competition, the Commission will have the same power it has today to determine whether or not a rate is reasonable. This, then, is an absolute guarantee against abuse of monopoly power by the railroads. It is, Mr. Chairman, true protection for the rail dependent or captive shipper.

Let us take a minute, Mr. Chairman, to consider what happens when a captive shipper is affected by a rate increase. Once the railroad has published the rate increase affecting a captive shipper, the shipper may file a complaint with the Interstate Commerce Commission. The railroad then has the burden of showing that there is effective competition. The railroad must either show that alternate transportation or an alternate source of supply is available, providing competition, or that the rate charged will be a lower revenue to variable cost figure than the cost recovery percentage. If the railroad fails to carry this burden, then the Commission will investigate the rate to determine whether or not it is reasonable. The guidelines the Commission will use in determining the reasonableness of the rate are exactly the same guidelines used under existing law.

During the investigation the shipper is protected from losing any money if the rate is determined to be unreasonable because the rail carrier must keep a separate accounting of the money collected from the increased rate and return it to the shipper if the rate increase is denied. In the exceptional case where a shipper would suffer irreparable harm from the increase, the Commission may require that the increase be suspended during the period of investigation.

Rate regulation in the railroad industry has not only caused inflexibility because of the price change, but has also forced the railroad industry to rely on general rate increases. Between 1970 and 1979, for example, general railroad increases have amounted to 143.6 percent. All shippers are opposed to the general rate increase mechanism, and rightfully so. The general rate increase has become the meat ax approach used by the railroad to stay in business. It discourages effective marketing and efficiency by the railroads. With general rate increases, railroads do not have to pay attention to individual shippers or individual movements. They, in effect, have a guarantee against losses, no matter what they do.

H.R. 7235 would abolish general rate increases. General rate increases would be prohibited for single-line rates upon enactment, for joint line by the end of 1982. Single-line rates account for 30 percent of railroad business, and joint-line rates account for 70 percent of railroad business. The fact that general rate increases are prohibited by H.R. 7235 is a tremendous benefit to the shippers. On the other hand, the abolition of general rate increases requires that realistic levels of price freedom be set for individual rate adjustments. The Rail Act of 1980 establishes a careful balance between jurisdiction of the Commission over the reasonableness of railroad rates and the abolition of general rate increases.

Price regulation has not been the only impediment to the development of a sound and competitive railroad industry. Over the years, a number of restrictions were written into the Interstate Commerce Act to protect competitors or certain shippers. Those restrictions set forth under the guise of antidiscrimination have discouraged railroads from instituting innovative service agreements. For example, under present law, railroads find it virtually impossible to enter into contracts. Section 204 of the bill establishes the right for shippers and railroads to enter into contracts. In committee I had an amendment adopted which makes certain that small shippers, as well as large shippers, will benefit from this contract provision. Through the use of contracts, railroads can provide better service to shippers and recapture some of the business lost to other modes of transportation.

Shippers will also be given additional service options under the bill. For example, for those shippers who would like a lower rate in exchange for different liability requirements, that possibility becomes a reality. All shippers will find that by permitting railroads to earn an adequate level of revenue, service will be improved. As you know, Mr. Chairman, the Department of Transportation has estimated that the railroad industry has a capital shortfall between now and 1985 of between $16 and $20 billion—and that is exclusive of Conrail, Amtrak, and the Long Island Railroad.

Of course, some shippers now receive good service on single line movements if they are located on the lines of a profitable railroad. Unfortunately over 70 percent of the railroad business is interlined between two or more railroads. As a result, no shipper benefits from having financially weak railroads responsible for the movement of their goods. The disparity of resources between railroads arises in part because of division of revenue accruing from joint rates. Once a joint rate is set, it cannot be changed unless all the parties to the joint rate agree. Likewise, once the division of revenue is agreed upon, the division cannot be changed unless all parties agree. This inflexibility caused by regulation means that some railroads are forced to carry traffic at less than their cost. The purpose of section 301 in the bill is to permit those carriers to apply a surcharge.

Let me take a minute to discuss the surcharge and route cancellation provision. The purpose of the provision is to provide relief from the existing unrealistic division of railroad revenue. It is a simple provision in that it permts a railroad to add a surcharge if the traffic in question is being carried by the railroad at a loss. Any carrier carrying such traffic may apply a surcharge or cancel a route provided that its share of the revenue from the traffic is less than 110 percent of variable cost. In dollar terms this will mean an additional $100 to $150 million for Conrail. It may also mean additional revenue for a number of other railroads.

In committee we gave special consideration to the effect of this provision on short line railroads. One of the major purposes of this bill is to encourage the development of short line and feeder line railroads. Therefore we were particularly careful not to do anything which would cause economic hardship to existing short line railroads. Following committee action, Mr. LEE, Mr. BROYHILL, Mr. FLORIO, and I spent considerable time with short line railroads to further improve the protection afforded short lines with respect to the surcharge provision. As I pointed out during the debate on the rule for this bill, the Short Line Association supports this bill with the adoption of an amendment which will be offered by Mr. LEE. I appreciate the time and effort put into that agreement by representatives of the short line railroads. They fully recognize the need for this legislation and strongly support its passage.

Inflexibility caused by regulation is not limited to the level of rates charged by the railroads. Under existing law rates are collectively made in rate bureaus. The existing practice guarantees a lack of

price competition between competing routes. Let me give you an example. There are more than 24 ways to route traffic between New York and St. Louis. For specific goods or an individual commodity, the rail rate will be identical over each of those 24 or more routes. A shipper is given no price competition whatsoever.

Let me give you another example. Let us assume that there are three routes between the city of origination and the city of destination. One route is exclusively on one railroad. The second route is a joint movement by two railroads. A third route is a joint movement by five railroads. The charge for shipping the goods or the commodity between those two cities would be identical even though handling and interchange costs would be considerably different among the three routes.

Under H.R. 7235 single line rates would have to be made independent of joint line rates immediately. By 1984, joint line rates could be collectively made only with agreements between carriers who actually participate in the movement. Under the example I gave a minute ago, the two railroads which did not participate in two of the three routes would have a voice in setting the rates over those routes under existing law. Neither the railroads nor shippers would benefit from that type of collusion. Enactment of this bill will, for the first time in nearly a hundred years, give rail shippers the benefit of price competition. I can think of no better way for encouraging efficiency in railroad operations than through the encouragement of price competition.

Another form of competition which is precluded under existing law is market entry. H.R. 7235 opens up market entry for the first time since the Transportation Act of 1920. It does so in two different sections. First, section 304 premits railroad entry through new construction of railroad lines either by railroads or shippers. In some cases, new construction will permit shippers to reach out to competing railroads or railroads to extend their territorial operations by reaching out to shippers.

Section 306, dealing with reciprocal switching, will have the same effect. I do not expect either of these provisions to dramatically change the railroad map of the United States. However, I do expect that these provisions will create a potential for competition which will provide many shippers with better railroad service.

Title IV of the bill faces up to the fact that railroad cost data leaves much to be desired. A blue ribbon panel is established, headed by the Comptroller General, for the purpose of establishing a framework for obtaining meaningful railroad cost data. There is no desire to require railroads to produce all kinds of facts and figures for the gratification of Government bureaucrats. There is a desire for railroads to stop keeping an extra set of books for regulatory purposes. Recordkeeping by railroads should be honest and meaningful for Government regulatory purposes. In other words, captive shippers deserve to have the reasonableness of their rates determined with reliable cost and economic data.

The blue ribbon panel will have 2 years to develop a simplified and meaningful set of accounting principles for the railroad industry. Once developed, the Commission will require railroads to submit their internal accounting systems to the Commission for certification. The certification will be made if the principles and guidelines established by the Cost Accounting Standards Board are met. For the railroads this will mean less redtape and special recordkeeping. For shippers, the public, and the Government this will mean a greater reliability of cost data and economic data necessary for fairness in applying remaining regulations over rates, abandonments, and mergers.

The pervasiveness of regulation of the railroad industry has become so great that slow motion abandonment has become the only option for a carrier to get out of a market it does not want. In other words, a carrier stops maintaining a light-density line and provides poorer and poorer service. Finally, the service gets so bad that most of the shippers on that line are driven away. Once most of the shippers are driven away, the railroad petitions the Interstate Commerce Commission for an abandonment. By the time the railroad has petitioned the Commission for abandonment, the line is in such bad shape and the shippers are so few, that the Commission approves the abandonment.

Section 502 of the bill establishes the feeder railroad development program. In my judgment, the feeder railroad development program represents a constructive alternative to slow motion or actual railroad abandonment. Under the feeder railroad development program, the Commission is given the machinery to assist State, local governments, cooperatives, or private entrepreneurs to purchase railroad lines that a carrier either does not want or is not able to provide good service on. Whenever a line is listed for potential abandonment, or whenever a petition is submitted for abandonment, the rail carrier must seek out prospective purchasers. Whenever service becomes very poor, prospective purchasers may petition the Commission. In either case, the Commission is empowered to permit the sale of the line and to prescribe a sale price at net liquidation value or the constitutional minimum necessary to avoid a constitutional problem of taking property without just compensation.

In my own State of Illinois there are already a number of short-line railroads which have begun as a result of State rail assistance programs. I am certain that there are a number of other areas where new feeder rail lines can be established. The bill earmarks money for the rehabilitation of such lines and establishes the legal machinery for such transactions to take place.

Railroads do have a common carrier responsibility to serve all shippers. However, that common carrier responsibility is not worth much if service is so poor that shippers cannot be served. The new feeder rail development program will provide a great benefit for rural areas having light density rail traffic. I intend to strengthen this provision with an amendment I shall offer tomorrow which establishes standards for the Commission to use in determining when there is a de facto abandonment. In addition, my amendment will make certain that class I railroads provide joint rates within a reasonable time so that a new short-line railroad is given every opportunity to provide through service at reasonable cost to the shippers.

Title V of the bill also contains two provisions which will permit funding for railroad rehabilitation. As I have pointed out, there is a significant shortfall in the railroad industry. Therefore, the committee extended the redeemable preference share program for another 2 years. That program permits low cost equity financing for railroad rehabilitation. In addition, a new program is established to assist where there is railroad restructuring. The new program will permit the Secretary of Transportation to give repayable credits to railroads which in effect will be a low-interest, 20-year loan; $1.475 billion is provided for this purpose.

Title VI of the bill revamps the labor protection program afforded employees of the bankrupt railroads which preceded Conrail. As you know, some of those railroads had labor protection agreements which could not be abrogated in the reorganization of those railroads into Conrail. Unfortunately, the labor protection provisions of the 4–R Act were not tightly drafted, and a number of employees got benefits far beyond those which were contemplated by the Congress. The General Accounting Office study indicated that continuation of the 4–R Act provisions would cost the Federal Government up to $1.7 billion. The $250 million appropriated for labor protection was exhausted earlier this year. Since that time, labor protection payments have come out of Conrail's operating budget.

The labor protection provisions contained in title VI represents a tightening of the requirements for labor protection payments under the 4–R Act. This will represent a considerable cost saving to the Government. It is estimated that under the new rules for payment contained in this provision, the total cost to the Government will be $235 million rather than another $1.5 billion.

Title VII of the bill relates to the procedures used for supplemental transactions involving continued restructuring of Conrail.

Mr. Chairman, as you know, H.R. 7235 represents a considerable amount of careful work by the committee. It is not an easy task to undo nearly 100 years of regulation. I believe that this bill represents a delicate balance between financial health for the railroad industry and the protection of captive rail shippers. The committee shared my belief when they adopted this bill by a vote of 36 to 5. Nevertheless, there have been some special interest groups which have criticized certain parts of the bill. We have continued to work with all parties in an effort to solve any problems that they have had with the bill, while at the same time protecting the delicate balance of the bill. I am happy to report that the concerns of the short-line railroads have been met. Mr. LEE will be offering an amendment which makes changes in section 301 of the bill which will resolve the problems expressed by that group.

Last Thursday when the rule for this bill was adopted. I included in the RECORD letters from the short line railroads and the Short Line Railroad Association strongly endorsing the bill.

A second group which has expressed concerns about the bill is a group which is very important to me—agricultural interests. As a member of the Agriculture Committee, and as a member coming from a rural district, I have spent many months on this bill trying to make certain that the rural communities in general and agricultural shippers in particular, are afforded better rail service. I have continued those efforts even after it was reported from committee. I intend to offer an amendment on the floor which will further strengthen this bill in that regard. I have talked to Senator KASSEBAUM, Congressman SEBELIUS, my colleagues on the Agriculture Committee, the Department of Agriculture, and numerous groups representing agriculture in order to benefit from their ideas for ways to strengthen this legislation. I believe that the amendment which I will offer will accomplish their goals.

I ask unanimous consent, Mr. Chairman, that an explanation of my agricultural amendment to title II of the bill and of my feeder railroad amendment to title V of the bill be printed in the RECORD immediately following my remarks.

Congressman LEE and I have developed our amendments in order to meet the needs of short-line railroads and rail shippers of agricultural commodities. I urge my colleagues to vote for these amendments instead of the more limited provisions contained in the so-called coalition amendment. I hope that many of the original supporters of the coalition amendment will join forces with us so that the Rail Act of 1980 can truly benefit the shippers they want to help.

We have also spent many hours discussing the problems expressed by some utility companies concerning rail rates on coal. As of this time we have been unable to reach an agreement with those who are concerned about our limitation of rate regulations to where there is an absence of effective competition. We shall continue our discussions with Mr. ECKHARDT and others concerning the appropriate level for rate regulation. It may well be that the coal rate issue cannot be resolved until conference. If that is the case, I hope that our colleagues in the House will support H.R. 7235 as reported by our committee so that the House will be in a position to work out with the Senate a meaningful compromise.

Railroad regulation evolved over a period of 93 years. It became inflexible and very complex. This bill addresses many complicated issues. It was not hastily put together, but rather represents the work of nearly 2 years. It is supported by the administration, the Association of American Railroads, the railroad brotherhoods, the Short Line Association, and many others. I have prepared some questions and answers based upon questions I have received from my colleagues in the House. I include them in the RECORD following my remarks:

SUMMARY OF MADIGAN AGRICULTURE AMENDMENT TO THE RAIL ACT OF 1980

The Madigan Amendment adopts the following provisions:

1. Reduces the threshold limitation for equal contract treatment from 40,000 tons to 20,000 tons.

2. Strikes the provision contained in the bill relating to "Demand Sensitive Rates".

3. Adds a new section to the bill for "Assured Agricultural Rail Transportation Agreements". Under this provision rail carriers may publish tariffs having maximum and minimum levels whereby shippers will be given the opportunity to request and obtain quotes from railroads for specific movements scheduled up to 12 months in advance. Whenever a rail carrier quotes a charge and a shipper agrees to such charge, the party shall be considered to have entered into a binding contract. The contract is enforceable in any court. Rail carriers may not change the maximum and minimum levels in the tariffs for at least six months after a tariff has been published. This provision will make it possible for shippers of agricultural commodities to have greater certainty by, in effect, creating a "futures" market for rail transportation. In addition, shippers will be assured of an adequate car supply because failure of a railroad to supply the cars will result in breach of contract actions.

4. Rail Shippers Needs Board; Other Shippers Assistance.

This provision creates a Shippers Needs Board made up of the Secretary of Transportation, the Secretary of Agriculture, the Secretary of Commerce, the Secretary of Housing and Urban Development, the Secretary of Labor, and a Chairman of the Interstate Commerce Commission. The primary purpose of the Board will be to review the effect of the Rail Act of 1980 on transportation in both urban and rural areas.

5. The Secretary of Agriculture is given a specific role with respect to any aspect of any restructuring plan that impacts upon the provision of transportation services to agricultural and rural areas.

6. The Secetary of Agriculture, in cooperation with the Secretary of Transportation, may establish regional agricultural transportation representatives to assist shippers in securing railroad or alternative tansportation services on a most favorable terms.

7. The Secetary is given authority to study the technical feasibility of using a conveyor system to transport agricultural commodities on abandoned railroad right of ways.

In addition to the above amendments, Mr. Madigan will offer an amendment to Title V which strengthens the railroad feeder development program by establishing specific criteria for the creation of railroad feeder lines where the existing railroad carrier is providing very poor service. The Madigan amendment to Title V will also make certain that joint rate agreements between railroad feeder lines and Class I railroads can be considered on an expedited basis by the Commission (30 days).

H.R. 7235—RAIL ACT OF 1980—QUESTIONS AND ANSWERS

Q. What is the need for a separate "rail transportation policy" as part of the Interstate Commerce Act?

A. The existing Interstate Commerce Act has a general transportation policy applying to all modes of transportation. This new rail transportation policy provision provides to the Commission a clarification of how various provisions of the law should be applied to further rail transportation.

Q. How does the new rail transportation policy differ from existing law?

A. There are a number of differences, but the principal ones are that (1) competition should determine rate reasonableness, (2) railroads should be permitted to earn adequate revenues, (3) where there is an absence of competition, regulations should protect against abuse in ratemaking by rail carriers, (4) rail pricing should be done on a specific rather than general basis, and (5) clear principles should be established for determining economic railroad costs for regulatory purposes.

Q. What is the effect of a rail transportation policy statement as a part of the Interstate Commerce Act?

A. The primary effect of such a policy statement is to assist the Commission in its deliberations and interpretations of specific provisions of the law. Whenever there is any ambiguity in a specific provision, the Commission should resolve the ambiguity by carefully following the policy considerations set forth by Congress in the new rail transportation policy.

Q. Does the Rail Act of 1980, H.R. 7235, remove rail rates from regulation?

A. No. The Rail Act of 1980 establishes an objective basis for providing the Interstate Commerce Commission with jurisdiction in order to determine the reasonableness of railroad rates. In fact, whenever there is an absence of effective competition, a shipper may protest a new rate or a rate increase and the Commission may find the new rate or rate increase unlawful if it is not reasonable.

Q. What does a shipper have to show in order for the Commission to investigate the reasonableness of a rate?

A. The shipper merely has to file a complaint with the Commission. If the Commission has jurisdiction it will investigate the reasonableness of a rate. The burden is on the rail carrier to show that there is effective competition.

Q. What constitutes "effective competition"?

A. There is a two-fold test for determining effective competition. One test is that the rate charged must be more than the "cost recovery percentage". The cost recovery percentage is a number determined by the Commission on an annual basis which reflects the revenue to variable costs level at which the rail industry recovers its costs. The other test for effective competition is based upon the availability of alternate transportation. In other words, if a shipper has the ability to ship his goods by truck or barge at substantially the same cost, there is competition and no need for Commission regulation. Likewise, if a consignee (receiving goods from a shipper) is able to receive similar goods or commodities from another source, there is market competition and no need for rate regulation.

Q. What is the justification for the "cost recovery percentage"?

A. If everything shipped on the railroad were charged a rate equal to 150 percent of revenue to variable cost, the railroad industry would make a 10 percent profit according to a recent analysis by the Interstate Commerce Commission. The 150 percent is known as "fully allocated costs". The fully allocated costs concept makes an assumption that all traffic could pay the same rate. This assumption is a theoretical one because a lot of traffic on the railroad would move by some other mode if the rate were as high as 150 percent.

The cost recovery percentage developed by the Committee is based upon the fact that rail rates, on an actual basis, fall within a wide range of revenue to variable costs. The cost recovery percentage is the level at which the rail industry recovers its costs (not any profit) based on the most recent annual data available to the Commission.

Q. What is the level of the "cost recovery percentage"?

A. The level of the cost recovery percentage will vary depending upon the point at which the railroad industry recovers its costs. Based on 1977 data, the level would be 197.6. The level becomes lower as the industry receives more revenue from traffic which it carries.

Q. How much would the cost recovery percentage decrease from additional revenue?

A. If all coal rates were increased 10 percent (which is the maximum permissible annual increase under the bill), the industry would receive an additional $450 million. If that additional revenue was paid out as dividends or invested in some enterprise outside the railroad industry, the cost recovery percentage would drop 13½ percent. The rule of thumb is a drop of approximately 3 percent for each $100 million of additional revenue which is not offset by an additional expense.

Q. Does the "cost recovery percentage" encourage reinvestment by the railroads in railroad property?

A. Yes. The cost recovery percentage will decline unless the railroads reinvest the additional revenue in the railroad industry as an expense item.

Q. Will there still be regulation of maximum railroad rates?

A. Yes. The Commission will be able to regulate rates whenever there is an absence of competition.

Q. What constitutes an absence of competition?

A. An absence of competition exists where there is not an alternate means of transportation available to the shipper or where the proposed rate or rate increase does not exceed the cost recovery percentage.

Q. What is the "cost recovery percentage"?

A. Cost recovery percentage is the revenue to variable cost percentage level at which the industry recovers its fixed and variable costs. That figure is established by the Commission on an annual basis based upon a valid statistical sample of specific transportation movements.

Q. How often will the Commission revise the "cost recovery percentage"?

A. On an annual basis, the Commission will use the latest available data which will generally be based upon the next prior year to the year the estimate is made. At present, the Commission has available the 1% way bill sample for 1977. In the future, it is anticipated that the 1981 figure would be based upon 1979 data; 1982 figure upon 1980 data and so on.

Q. What is the difference between "cost recovery percentage" and "fully allocated cost"?

A. The "fully allocated cost" is a theoretical assumption based upon the premise that if all traffic on a railroad paid an equal share of cost there would be a "full allocation of cost" to all traffic. The fully allocated cost concept is a theoretical one because all traffic cannot pay an equal share of fixed cost. For example, a shipment of canned goods paying 112% revenue to variable cost might move by rail at that level, but if its rate were increased to 115% it would move by truck thereby eliminating the 10% contribution to fixed cost. Consequently, differential pricing is necessary in order to maximize the benefits for all shippers on a railroad.

Q. What is differential pricing?

A. Differential pricing utilizes the concept of using a value of service rate—a rate based upon demand—in order to spread the cost of a system over as wide a group of users of service or purchasers of goods as possible. The effect of differential pricing is to make the price of the service or goods as low as possible to those who are most dependent upon such goods or services by attracting less dependent customers by charging lower prices in order to spread the fixed cost of the system over a larger number of users.

Q. What would happen to coal prices if all shippers on the railroad had to pay an equal share of fixed cost?

A. Coal prices would substantially increase because great amounts of traffic now making a contribution to the cost of the rail system would be driven off to competing modes of transportation.

Q. What is the present array of railroad rates on a revenue to variable cost basis?

A. Based upon the 1977 waybill data, two-thirds of the revenue received by the railroads comes from revenue to variable cost percentages of less than 150. One third of the revenue comes from revenue to variable cost percentages above 150. The average revenue to variable cost ratio paid by all traffic on the railroad is at 127.

Q. What should the "average" revenue to variable cost percentage be for the industry to earn a 10% profit?

A. The Commission has estimated 150%, but including the current cost of capital in those figures, raises the percentage to slightly over 160%.

Q. Does the difference between the average revenue to variable cost percentage being received by the railroad industry and the amount that would need to be received for a 10% profit account for deferred maintenance and poor railroad service?

A. In part, that difference accounts for a lack of investment in maintaining the railroad industry. The Department of Transportation has estimated that the railroad industry has a capital shortfall between now and 1985 of between $16 and $20 billion, excluding needs of Conrail, Amtrak, and the Long Island Railroad.

MECHANICS OF RATE REGULATION

Q. Under the bill, when may shippers challenge the reasonableness of a railroad rate?

A. A shipper may challenge the reasonableness of a railroad rate at any time, however, the Commission will have jurisdiction over that complaint only when there is an absence of effective competition.

Q. Who has the burden of showing that there is competition?

A. The railroad carrier has the burden of showing that there is effective competition, either by (A) demonstration that there is an alternate means of transportation available to the shipper, or (B) the shipper is paying a rate which is less than the cost recovery percentage.

Q. When the Commission has jurisdiction over the rate, must it investigate the reasonableness of the rate?

A. Yes.

Q. Will the Commission suspend a proposed rate increase during its investigation?

A. The Commission will still have the power to suspend the rate increase, but only under circumstances which will show that the failure to suspend will result in irreparable harm to the shipper.

CONTRACTS

Q. Will railroads and shippers be able to enter into contracts under the bill?

A. Yes. Under present law, it is nearly impossible for railroads and shippers to enter into contracts because of the provisions of law prohibiting any discrimination. Under the bill, shippers and railroads are encouraged to enter into contracts.

Q. Are there safeguards to protect smaller shippers from losing all service because larger shippers have contracts?

A. Yes. The Commission is given 60 days to approve contracts between shippers and railroads. The Commission shall not approve the contract if it "unduly impairs" the railroad's ability to carry out its common carrier responsibilities.

Q. How can a contract be enforced?

A. Once the Commission has approved the contract, it can be enforced in court just like any other business contract.

Q. Is there any provision in the bill which requires railroads to give contracts to small shippers as well as large shippers?

A. Yes. For example, if a railroad enters into a contract with a large shipper of wheat, it must give a similar contract to other shippers of wheat, who want such a contract, if they are located within a 50-mile radius of the first shipper. Shippers are given a 12-month option for requesting a similar contract from the railroad. Of course, subsequent contracts would have a different price which reflected differences in cost and preservation of a similar profit margin.

Q. Are there any other provisions in the bill which encourage contracts?

A. Yes. The Madigan amendment for "assured agricultural commodity prices" would permit shippers to request a price quote from a railroad for up to 12 months in advance of the shipment. If the railroad has published a tariff listing a minimum and maximum rate for the movement, it must give a quote to the shipper who then has the opportunity to accept or reject the contract for that price on that date. In effect, this is a futures market for transportation of agricultural commodities. Among other things, this provision will assure shippers who use it of a car supply and certainty of price.

LIMITED LIABILITY RATES

Q. May a railroad now enter into an agreement with a shipper which limits the railroad's liability?

A. No. Many shippers would accept limited liability by the railroad in exchange for lower rates. Under present laws that option is not available. Section 207 of the bill makes it possible for shippers and railroads to agree to limited railroad liability, thereby providing the shipper with another option for gaining better railroad service at less cost.

RATE DISCRIMINATION

Q. Will rate preference or differences in service be permitted under the new law?

A. Yes. Certain provisions such as contracts will not be subject to the discrimination or preference requirements of the Interstate Commerce Act. In addition, flexibility of pricing is encouraged so as to permit railroads to attract and keep a bigger share of the inter-city freight business. There continue to be restrictions against predatory pricing or other anti-competitive practices which would be protected under the antitrust laws.

Q. Are railroads subject to the antitrust laws?

A. Yes, except in those well-defined areas which permit certain practices not generally permitted under the antitrust laws. For example, the interdependent nature of the railroad industry necessitates collective actions under rate bureau agreements. In addition, H.R. 7235 makes clear that parallel pricing per se cannot be used as evidence of an antitrust violation. This protection is needed in order to carry out the transition from ratemaking which was 100% collective in nature to a system based upon competitive ratemaking.

RATE BUREAUS

Q. Are rate bureaus eliminated under the bill?

A. No, but certain restrictions are placed upon rate bureau activity. For example, upon enactment railroads will not be able to include single line rates (30% of rail revenue) in general rate increases. Also, single line rates must be set independently of joint line rates on competing routes.

Q. Are general rate increases permitted under H.R. 7235?

A. Under H.R. 7235, general rate increases on single line rates (30% of rail revenue) are prohibited upon date of enatcment. Joint line rates are excluded from general rate increases by the end of 1982 (70% of rail revenue). The Commission is given standby authority to prescribe inflationary pass-through—either as an across-the-board percentage increase or on the basis of an index permitting an inflationary pass-through using a range of percentage increases—whenever it finds such action is necessary in order to assure adequate revenue for the rail industry.

Q. How does this differ from the existing law?

A. Under the existing law, the entire emphasis during the last decade has been on the use of general rate increases. Between 1970 and 1979, general rate increases totalled 143.6%. Under the new law, general rate increases are phased out and will be used only as a last resort by the Commission as a means for assuring that railroad revenue keeps pace with inflation. The effect of the House bill will be to phase out general rate increases very quickly in order to force railroads to a system of competitive pricing for specific movements.

Q. Can railroads continue to use rate bureaus for establishing joint rates?

A. Rate bureaus will continue to exist, but single line rates must be made independent of joint line rates immediately. Joint line rates must be made only by carriers who actually participate in the movements over the routes to which the rates apply effective in 1984, unless the Commission reports to Congress prior to that date that such a shift in practice from the present system is not possible.

Q. Will rate bureaus continue to publish rates so that shippers will be able to know how much it costs to ship goods between points?

A. Yes. The rate publishing service of rate bureaus is not affected by this legislation.

INTRASTATE RATES

Q. States now have jurisdiction over intrastate rates; will that continue?

A. No. H.R. 7235 establishes federal preemption for jurisdiction over intrastate rates. The reason for the federal preemption is that most railroad rates are interstate rates and in order to have a system which assures railroads of adequate revenues, it is necessary that any maximum rate regulation be undertaken by the Federal Government through the Interstate Commerce Commission. Under present law, states have been slow to respond to revenue needs of railroads, thereby causing a cross-subsidy by interstate shippers of intrastate shippers.

LIMIT ON RATE INCREASES

Q. When this bill is enacted is there any limit on rate increases?

A. Of course rate increases where there is an absence of competition will continue to be within the jurisdiction of the Commission and subject to the reasonable rate test. In addition, H.R. 7235 limits rate increases to 10% a year above inflation for the first three years.

CUSTOMER SOLICITATION EXPENSES

Q. What does the provision on customer solicitation expenses do?

A. This provision amends the Elkins Act so as to permit railroads to utilize any normal business entertainment expense in order to solicit customers and attract business to the railroads. The existing law, as interpreted by the Commission, placed an absolute chilling effect on customer solicitation by railroads.

SAFE RAILROAD INVESTMENT

Q. Will railroads reinvest additional revenues in railroad operations in order to improve service?

A. There are two provisions in the bill which encourage reinvestment of revenues in railroad property. The first provision is the cost recovery percentage which establishes a jurisdictional test for maximum rate regulations. As a rule of thumb, each $100 million in new revenue will decrease the cost recovery percentage by 3 percentage points, unless it is reinvested in the railroad and can be offset as an expense. The second provision is Section 213 which gives the Secretary of Transportation the authority to inspect railroad facilities and report to the Commission if the railroad facilities do not meet safety requirements of applicable federal laws, and are not maintained and operated in a manner which protects the public. Whenever the Secretary makes such a report, the Commission may use its existing authority to place restrictions upon the railroad's activities. Both of these provisions should encourage greater reinvestment in railroad property.

SURCHARGES AND CANCELLATIONS

Q. When is a railroad permitted to surcharge or cancel a route?

A. Under Section 301 of the bill, a railroad is permitted to surcharge or cancel a route whenever its share of the joint rate is less than 110% of its variable cost using unadjusted rail Form A cost data.

Q. Why does a railroad presently carry traffic at less than its costs for carrying the traffic?

A. The existing joint rate system requires a railroad to carry traffic delivered to it by another railroad. Often the existing division of revenue from the joint rate is such that one or more carriers participating in the joint rate loses money on the movement.

Q. If a railroad loses money on a movement, why does it not just change its division of revenue or increase the rate?

A. A railroad cannot change its division of revenue or change the rate unless all of the other railroads participating in the movement agree to the change. This creates an inflexible situation which has not worked in eliminating below cost traffic.

Q. How does the surcharge and cancellation division work?

A. The surcharging carrier publishes a tariff which becomes effective 45 days after publication. The tariff may either impose a surcharge or cancell a route. Once published, other participating carriers may take counter action to the surcharge by demonstating that the surcharging carrier already receives 110% revenue to variable cost or would receive that percentage under a new division or different rate. Once challenged, the surcharging carrier must always demonstrate that the movement involved is under 110% revenue to variable cost.

Q. Can shippers or other interested parties protest?

A. Shippers or other interested parties can require the carrier to demonstrate that the movement is in fact less than the threshold. A shipper can protest the rate increase only to the extent of the surcharge for the surcharging carrier.

Q. Are short-line railroads protected?

A. Short-line railroads (class 3 carriers) are given special protection under this provision under the Lee amendment. If they are affected by a surcharge or cancellation, they may protest to the Commission if the surcharge is anti-competitive or if affects their last remaining route. The Commission is then given broad powers to change the rate or the divisions in order to afford the short lines protection whenever it is in the public interest to do so.

Q. Once a surcharge has been applied, must it be applied to all the routes between the origin and destination points?

A. Yes, although actions taken by other carriers may result in rates being different on various routes. For example, one participating carrier might agree to absorb the surcharge out of his divisions, thereby keeping that rate as it was prior to the surcharge even though the surcharge would continue to apply to other routes.

Q. If the carrier which absorbs the surcharge on one route participates in another route, must he also absorb that surcharge?

A. Yes. If other participating carriers request him to do so, he must absorb a pro rata share of the surcharge on the second route.

Q. Why would it not have been better to simply have expedited the division of revenue remedy rather than using a surcharge or cancellation method?

A. The division of revenue remedy—even on an expedited basis—is too cumbersome when one considers the thousands of rates that are involved in interline movements. The surcharge method represents the simplest way for adjusting revenues so that no carrier is forced to carry a movement below cost.

Q. If the goal was to avoid carrying movements of traffic cost, why is the figure 110 percent revenue to variable cost rather than 100 percent

A. Again, for purposes of simplicity, unadjusted rail Form A data is used in order to determine the 110 percent figure. Unadjusted rail Form A data is but an approximates estimate of actual cost. The Committee believes that rail Form A data reflects costs which are lower than actual costs and, therefore, compensates for this fact by using 110 percent instead of 100 percent.

Q. Why should route cancellations be permitted?

A. Everyone—railroads, shippers, and the public—loses from circuitous routing of railroad traffic. Circuitous routes are far more costly than non-circuitous routes. Therefore, any method which eliminates circuitous routing represents a benefit for everyone.

Q. If a class II or class III carrier has a route cancelled, can it insist upon and get a new joint rate?

A. Yes. The bill provides for a fast track for the Commission to prescribe new joint rates whenever a route has been cancelled for a class II or class III carrier. The fast track is one in which a compensatory throughrate must be prescribed within 30 days. That will make it possible for the joint rate to be in effect prior to the effective date of the route cancellation which must be published 45 days in advance.

Q. Which railroads will benefit from the surcharge and cancellation provision?

A. All railroads. Any railroad, whether a class I, II, or III, may put on a surcharge or request a route cancellation if their share of the revenue is less than 110 percent revenue to variable cost.

RECIPROCAL SWITCHING AND ENTRY

Q. What do the provisions for reciprocal switching or entry mean?

A. Simply stated, both provisions will introduce additional competition between railroads. Under reciprocal switching, one railroad is given the opportunity to have access to another railroad's operating territory, thereby providing many shippers with competition in rail service which they do not presently enjoy. The entry provision is limited to new construction of rail line. It is anticipated that some shippers and some railroads may enter into new construction but on a fairly limited basis.

RAILROAD COST DETERMINATIONS

Q. What is the general purpose of Title IV "Rail Cost Determinations?"

A. The general purpose of this title is to modernize railroad recordkeeping and cost data so that it will have a high level of confidence for use in regulatory purposes.

Q. What is wrong with the present Commission power to establish a uniform cost accounting system?

A. By and large the existing system is made up of figures which constitute averages, which are of limited use when considering specific movements of traffic. Moreover, the proposed rules for railroad cost data are so comprehensive that the government would be in the business of collecting all sorts of meaningless data.

Q. How will the situation be helped by Title IV?

A. Title IV establishes a "blue ribbon panel," headed up by the Comptroller General, which will have the responsibility for developing principles or guidelines necessary for achieving economic data essential for regulatory purposes. That panel will complete its work within two years and really has a two-fold goal—(1) the development of principles or guidelines for obtaining reliable

data, and (2) limiting the data required to those areas which are necessary for regulatory purposes, i.e., maximum rate regulation, abandonments, and perhaps mergers.

Q. "Rail Form A" now appears to be the basic data source for railroad revenue and costs. Will Rail Form A be changed?

A. In all likelihood, the data base for Rail Form A will be modernized. Rail Form A was developed by the Commission in 1934 and represents averages which can be greatly refined through the use of new accounting guidelines and principles.

Q. Does the bill contain authorizations for new money for railroad industry?

A. Yes. Section 503 establishes a new federal program for financial assistance to rehabilitate railroad lines. The new program will use a "repayable credit" method of financing which in essence is a low-interest loan repayable after 20 years. Five percent of the money in the new program is earmarked for the development of railroad feeder lines and all of the money in the program is tied to projects which facilitate restructuring.

Q. How much money is authorized for the new program?

A. $1.475 billion.

Q. Is the existing redeemable preference share program (Section 505 of the 4R Act) continued?

A. Yes. That program is extended for two years and has remaining in it about $147 million.

Q. What is the new "railroad feeder line development program?"

A. The new railroad feeder line development program is an alternative to abandonment of light density and rural rail lines. It establishes a procedure whereby states, local governments, cooperatives or private entrepreneurs can readily purchase railroad lines which are scheduled for abandonment by rail carriers or rail lines on which the carriers have allowed service deterioration, i.e., a de facto abandonment. In either case, purchasers of those lines can request the ICC to fix a purchase price if the carrier refuses to do so. The purchase price shall be net liquidation value or the constitutional minimum required in order to avoid a taking of property without just compensation.

Q. Once a new group has purchased lines to start a new feeder railroad system, is there any federal assistance for rehabilitation?

A. Yes. There is financial assistance available under the existing branch line subsidy program (Title VIII of the 4R Act) as well as new money available under the restructuring assistance program.

Q. Once a railroad feeder line has been developed, is it assured of connecting service with the rest of the railroad system?

A. Yes. The bill requires that other railroads make joint rates available to the feeder railroad.

Q. What if the main railroads make the rate so high that no one will use the feeder line?

A. The Commission is given jurisdiction to prescribe the joint rates if the parties cannot agree, therefore, there is protection against unreasonable rates for shippers on feeder lines or unreasonable divisions to feeder lines.

Q. What incentives are there for the success of rail feeder lines?

A. A bill contains a number of incentives for the success of feeder lines. First of all, 5% of the $1.4 billion made available for railroad rehabilitation is earmarked for rehabilitation of feeder railroads. Second, feeder railroads are exempt from all ICC regulation until they earn adequate revenues (currently set by the Commission at 11%).

Q. Will feeder lines have all of the work rules which now affect class I railroads?

A. No. Employees working for the class I railroad which sells its lines to a rail feeder line are protected under normal labor protection which is paid for by the selling railroad—not the feeder line. In addition, the feeder line is not required to acecpt the work rules or labor contract which is maintained by the selling railroad.

CONRAIL LABOR PROTECTION

Q. What are the effects of the amendments contained in Title VI of the bill which changed the labor protection afforded Conrail employees under the 4R Act?

A. Title VI of this bill completely rewrites the "Title V Labor Protection" contained in the 4R Act. Under the 4R Act, $250 million was authorized to pay for labor protection. That $250 million was exhausted early this year. The new rewrite of Title V contained in the Rail Act of 1980 tightens up the requirement for receiving benefits.

Q. Why are the benefit requirements tightened up?

A. The original Title V program was loosely drafted and created the opportunity for some employees to receive greater benefits than were originally anticipated. Under existing law, the Government Accounting Office has estimated that nearly $1.7 billion would be needed to pay benefits. Under the provision in this bill—with its tighter provisions—only $235 million additional dollars are needed to fund the program. In other words, this represents a saving of well over $1 billion.

Q. Why is there a need for any new federal money to be authorized?

A. If federal money is not used for paying benefits under the Title V program, then Conrail must pay those benefits. Only by changing the law can the level of benefits be reduced. The obligation to pay the benefits would exist even under present law, and would be far more expensive.

☐ 1510

Mr. FLORIO. Mr. Chairman, I yield 10 minutes to the gentlewoman from Maryland (Ms. MIKULSKI), a very valuable member of the subcommittee.

Ms. MIKULSKI. Mr. Chairman, I would like to speak briefly in support of this bill. I have worked hard with the chairman of the full committee, Mr. STAGGERS, and the chairman of the subcommittee, Mr. FLORIO, and other members of the comm'ttee on this legislation. I believe it represents a fair and equitable resolution of difficult regulatory problems.

It balances the need for rate freedom with the need to protect shippers who are dependent on transportation by rail. It provides needed new authority for railroads and shippers to contract for rail services while protecting small shippers from loss of service.

Importantly, it provides some flexibility in the joint rates area so that railroads are not required to carry traffic at an absolute loss. This is important to the Northeast where Conrail loses tens of millions of dollars each year because it must carry traffic below its viariable costs. Other railroads, particularly the poorer ones, will also benefit from this provision.

In this area, too, the bill ach'eves an equitable balance between the interests of large railroads, small railroads, shippers and others. Although carriers will be free to charge rates that cover variable costs, shippers will have the right to challenge a surcharge if it brings a carrier above the level needed to cover its costs, that is 110 percent of variable costs. Small railroads have special protections against the economic power of the large railroads through special remedies provided in the bill. Mr. LEE intends to offer an amendment providing further protections to the smaller railroads, which I will support. I will offer an amendment to insure appropriate participation by ports.

There will be an effort made to eliminate the parts of this bill which provide freedom to raise joint rates to the level where a railroad covers its variable costs. The argument will be made that this will allow carriers to discriminate against shippers by charging different rates to different points. I believe this amendment is a destructive one which would destroy many of the benefits of this bill to my part of the country.

If costs are different to different areas or over different routes, there must be a difference in the rate reflecting the difference in cost. Otherwise we will have railroads forced to carry traffic at a loss as we do now. Simply because a particular shipper may have to pay more because it costs more to serve that shipper is not a reason to enact a Federal statute prohibiting that charge.

If we are to have a sound rail transportation system, we must allow railroads to price at least at the level of covering the different costs of different operations.

Similarly I understand there may be an amendment offered to equalize the rates between ports. This amendment has been offered and defeated many times. It has been defeated because it has no justification in logic or economics. The port of Baltimore happens to be closer to many markets than the port of New York. As a result it is cheaper to serve the port of Baltimore and the rail rates to Baltimore are lower. To equalize those rates with the New York area would mean that the rates to Baltimore would have to go up. Shippers and ultimately consumers would end up paying more.

There is no reason in economics or logic to equalize rates betweens ports. I use the example of Baltimore and New York, but the same thing would be true for other ports, Philadelphia, Wilmington, and even ports like New Orleans and Seattle.

I believe this bill is sound transportation policy which will benefit the entire economy of this country. I believe the crippling amendments which I have mentioned should be opposed, and I urge the support of my colleagues for this bill and those amendments only offered by Messrs. FLORIO, MADIGAN, LEE, and myself.

☐ 1520

Mr. MADIGAN. Mr. Chairman, I yield such time as he may consume to the gentleman from New York (Mr. LEE).

Mr. LEE. Mr. Chairman, there are three or four significant points which need to be made as this landmark legislation is presented and soon will be amended, legislation to be known as the Staggers Rail Act of 1980, under the leadership of the subcommittee chairman, the gentleman from New Jersey (Mr. FLORIO).

I commend the gentleman from New Jersey (Mr. FLORIO) and the gentleman

from Illinois (Mr. MADIGAN) for the initiative and creativity that they have demonstrated as we move in attempting to put forward a positive remedy in helping the railroad system to cope with the pressures and challenges they have in this day.

Mr. Chairman, H.R. 7235, the Rail Act of 1980, may be the most important Federal legislation concerning the railroads since the enactment of the Interstate Commerce Act in 1887. Within the last year and a half the Transportation and Commerce Subcommittee, of which I am a member, spent countless hours in hearings and meetings concerning the problems facing America's railroads.

We in the Northeast know firsthand about the problems facing railroads. It was but a few years ago that the six major railroads in the Northeast were bankrupt. With the establishment of Conrail, Congress provided some relief for shippers in the Northeast. However, it also became apparent that overregulation of railroads continues to make it very difficult for shippers to get good service.

During this Congress we have seen that the problems experienced in the Northeast have also been experienced in the Midwest. We have had to enact the special legislation because of the Milwaukee bankruptcy and the Rock Island bankruptcy. The situation will continue to be bleak unless there is change in railroad regulation.

This legislation frees up the regulation of railroads. It will permit them to provide service tailormade to the shipper needs. It will permit railroads to use the marketplace rather than a hearing room for pricing decisions. Above all, it will permit railroads to earn an adequate return on investments, so as to put some money back into the railroad industry.

The present system of rate regulation for the railroad industry creates inflexibility in pricing. It also causes some railroads to have to carry traffic below cost. That is the reason for section 301 of the bill, which permits surcharges and route cancellations.

As you know, Mr. Chairman, that section caused great concern for short line railroads. I had an amendment adopted in committee which partially solved the problem. In addition, Mr. MADIGAN, Mr. FLORIO, Mr. BROYHILL, Mr. STAGGERS, and I have worked with the short line railroads since that time. As a result of our meetings with them, I have agreed to offer an amendment on the floor to further protect short line railroads. With the adoption of that amendment, the Short Line Association wholeheartedly endorses this bill. Mr. Chairman, it is important that this legislation be enacted as soon as possible. I hope that the House will be able to consider the bill for amendments tomorrow and send it to the Senate for its quick approval.

Mr. FLORIO. Mr. Chairman, I yield such time as he may consume to the gentleman from California (Mr. COELHO).

Mr. COELHO. Mr. Chairman, I would like to ask the gentleman from New Jersey (Mr. FLORIO) some questions.

As the distinguished subcommittee chairman knows, I am interested in seeing that passenger train service gets a fair chance to prove its worthiness and I have actively worked toward that end.

I am also concerned about the possibilities of mergers between railroads and a resulting lack of competition which might cause problems with both passenger service and shippers of freight.

For example, in the San Joaquin Valley of California, we have a passenger train line which runs from Bakersfield in the south to Oakland in the north. Presently the train misses the city of Modesto, a major metropolitan area, because Southern Pacific has decided it does not want the passenger train on their tracks through the city.

Is there a provision in this legislation which might restrict Amtrak's ability to negotiate for the best possible routing of its passenger trains, or which might otherwise impair Amtrak operations?

Mr. FLORIO. Mr. Chairman, will the gentleman yield?

Mr. COELHO. Yes, I am happy to yield to the subcommittee chairman.

Mr. FLORIO. Mr. Chairman, there is no provision in this legislation which restricts Amtrak's ability to negotiate for the best possible routing of its passenger trains. The Amtrak-private carrier relationship is not addressed in any fashion by this legislation.

I would point out, however, that there is a direct relationship between this legislation and improved passenger service. An improved financial position for the industry will mean greater investment in track and other facilities which will benefit passenger service.

In addition, and perhaps most importantly, greater regulatory freedom under this legislation carries with it a greater responsibility, reducing Federal regulation and improving the railroads' ability to earn adequate revenues means that the carriers have a greater responsibility to provide passenger service that is modern, efficient and reliable.

I for one will not hesitate, as the position of the industry improves, to work for greater commitments from them in providing passenger service to the people in this country.

Mr. COELHO. Mr. Chairman, I thank the gentleman for his response. Let me ask this question:

Then, what about mergers? Southern Pacific and Santa Fe have announced they intend to merge, and although it is probably years away and may not even take place, how does this legislation deal with mergers? Will ICC retain some control over merged lines so that shippers and passenger train service are not abandoned because the newly merged line is not willing to provide service at reasonable rates?

Mr. FLORIO. Mr. Chairman, will the gentleman yield further?

Mr. COELHO. I am happy to yield to the subcommittee chairman.

Mr. FLORIO. Mr. Chairman, this legislation does not affect the merger provisions of the present Interstate Commerce Act. The Commission retains its jurisdiction to approve mergers, and competition is a factor which they must consider.

The gentleman probably saw that the Commission recently held a public conference on mergers, and it was clear that the role of competition would continue to be of paramount importance in the Commission's decision whether to approve a merger.

Mr. COELHO. Mr. Chairman, I thank the gentleman, and I appreciate his kind remarks.

Mr. MADIGAN. Mr. Chairman, I yield such time as he may consume to the gentleman from Pennsylvania (Mr. SHUSTER), the ranking minority member of the subcommittee of the Committee on Public Works and Transportation.

Mr. SHUSTER. Mr. Chairman, I thank my distinguished friend, the gentleman from Illinois (Mr. MADIGAN), for yielding me this time.

Mr. Chairman, I rise for two reasons. The first is to indicate strong bipartisan support for the legislation which is before us today. The Republican Policy Committee, which I have the privilege to chair, took a position last week endorsing the Railroad Regulatory Reform bill before us. The Republican Policy Committee believes that this legislation will help make the rail industry once again a healthy, efficient part of our Nation's economy. We urge strong support for this legislation.

Mr. Chairman, the second reason I rise is to deal with a concern which has been developing more and more over the months, as I have witnessed the railroad industry and particularly Conrail. As my friend, the gentleman from Illinois, has indicated, I serve as the ranking minority member of the Subcommittee on Surface Transportation of the Committee on Public Works and Transportation.

I also have had the privilege to serve as Chairman of the National Transportation Policy Commission, which was deeply concerned with and interested in all modes of transportation, and particularly the railroad industry and the health of the railroad industry in America.

While I should first emphasize that from information that I have, it seems clear that there has been steady improvement in Conrail, and further, while I am informed by independent sources as recently as last week that the equipment today is good, it is solid, and it is reliable, I nevertheless must take this time to express the very great concern I have over what I believe are storm warnings with regard to Conrail and particularly with regard to the top management of Conrail.

I should say, Mr. Chairman, that prior to coming to Congress and becoming immersed in transportation matters, for 17 years I worked in the electronic computer industry and for most of those years served as a line manager, first as a vice president of RCA and then as chairman of the board of a smaller computer company in which I was deeply involved in the whole question of the revitalization of companies. So I speak with at least some small knowledge and firsthand experience with management and the managerial problems facing companies which are in trouble.

□ 1530

I must say, Mr. Chairman, that I believe there are storm signals on the horizon with regard to the top management of Conrail.

Let me cite some specific top management situations of the recent past with regard to Conrail. The first is that the distinguished and able Chairman of the Board, Edward Jordan, has announced he will not renew his contract, and he will be leaving somewhere in the next several months, leaving as Chairman of Conrail.

I recognize legally he has no commitment beyond the expiration of his present contract. Nevertheless, I find this very jolting that the man who really developed the final system plan within USRA and then has been at the helm of Conrail is choosing to leave rather than stay and see the job through.

Beyond that, Mr. Reed, who is now the President of Conrail, I am told, is a very able executive. He is a man who comes from the American Motors Corp., a man who does not have railroad experience. I say this in no way to denigrate Mr. Reed. The signals I have are that he is a very capable executive, but the point to be made is that he does not have experience in the railroad industry. I might add nor did Mr. Jordan prior to his association with USRA.

What we see for the moment are the two top executives in Conrail, neither of them having a depth of experience running a railroad. I think that in itself is very serious.

Now I would be the first to say that it is probably smart that one of the top executives not be from the railroad industry. I am not here arguing at all that all of the top management of Conrail or any other railroad company should be limited to a career in the railroad industry. But I am here saying that if you are going to have somebody trying to run a railroad, somebody at the top better have indepth experience in running a railroad and particularly so if you are looking at a massive corporation such as Conrail and a corporation which indeed was put together out of bankrupt companies and which is faced and beset with so many problems that it would tax the ability of the best executive in this land to be able to make this new corporation succeed. So these signals by themselves are of great concern to me.

Beyond that, Mr. Spence, who previously was the President of Conrail, came to Conrail with a very distinguished record as an executive working for the Southern Pacific Railroad Co.

For whatever reason, and I understand there were some disagreements, Mr. Spence did not remain, albeit that he was a top railroader, did not remain in the position of President, left and moved to the L. & N. Railroad, where I understand he again has establishesd a record of outstanding performance as a railroad man.

Now when you see somebody come from a railroad company with an excellent record of performance, come to Conrail and then leave under whatever the murky facts might be, move to another railroad and there establish a record of outstanding performance, it must raise, it seems to me, in the mind of any objective observer some serious questions about what is happening at Conrail as far as their top management is concerned.

Beyond that, Mr. Chairman, the problem it seems to me does not even stop there. Mr. Carl Taylor, an outstanding Vice President of Conrail, resigned on his own, voluntarily, leaving Conrail to become president of ITEL, another distinguished, able executive who chose for whatever reason to leave the top management of Conrail.

So I would be derelict in my duties, Mr. Chairman, as one who has been deeply interested and concerned about transportation in America and particularly concerned and interested about Conrail, as one who has been a vocal advocate of Conrail, a supporter of Conrail from the very days in which it was created on the floor of this Congress, I would be derelict in my duty if I did not today express my very deep concern about what I see happening at the top management level of Conrail.

Although Edward Jordan is indeed an outstanding man, perhaps his leaving is a blessing in disguise. I say that in no way to put down Mr. Jordan, but to rather focus on the opportunity which this presents for the Board of Directors of Conrail to identify, to seek out and to find a very first-class, outstanding railroad man to put in one of those two top jobs in Conrail, either as Chairman of the Board or as President. Indeed, if Mr. Reed is moved up to Chairman of the Board, I think that is less significant if that were to happen than is the decision which is going to be made by the Board of Directors of Conrail in the coming weeks or months to fill the vacancy of either the Chairman or the Presidency of Conrail.

The man who moves into that top management job must be an outstanding railroad man, and if indeed the Board of Directors of Conrail, for whatever reason, chooses not to or is unable to find an outstanding railroad man to put at the helm of Conrail, I believe this could be such a serious decision that it could in fact directly affect the question of whether or not Conrail is going to be a success, for while there have been steady improvements in Conrail, which I noted previously, it seems very clear to this Member of Congress, who has been deeply immersed in transportation, that there must be further improvements in Conrail, and if there are not further improvements in Conrail, the very success or failure of Conrail is in serious question.

Without further improvements, Conrail shall fail, and for those of us who are deeply committed to a sound transportation system in America, for those of us who are deeply committed to a sound railroad system in America, for those of us who are deeply committed to the success of Conrail, we cannot let this happen.

I, therefore, implore the Board of Directors of Conrail, I implore the Members of this body and the other body and the members of the executive branch down at the U.S. Department of Transportation, the members of the ICC and the members of USRA, all those key people who are involved and will be involved in the basic question of finding a new man to replace Ed Jordan at the helm either as Chairman or in the Presidency, I implore these individuals to exercise their utmost capability in seeking out and finding a first-class railroad executive to head up this company.

Now, I understand that of the many candidates under consideration there are some good men but whose strength is more in their political ties to Washington than their background in the railroad industry.

I think that if the Board of Directors of Conrail selects someone to fill Jordan's chair and makes that decision based more on their political connections in Washington, than on their depth of experience and capability in knowing how to run a railroad, this could well be the kiss of death for Conrail, because further improvements must be made. There are serious soft spots in Conrail today.

□ 1540

It is going to take an outstanding railroad executive to come in and to hit the ground running in order to make the kind of necessary managerial decisions required to assure Conrail's success. So I urgently call upon the Board of Directors of Conrail and all those involved in public policy relative to Conrail to exert every effort so that the right kind of a person is put at the helm so that Conrail is given every opportunity to succeed, because if Conrail fails, we will be faced with one of the most serious transportation problems in America; indeed, particularly in the Northeast and the Midwest. We simply cannot let that happen. We must see to it that Conrail succeeds so America has a sound national transportation system.

● Mr. REUSS. Mr. Chairman, earlier this year I submitted some supplementary views to the annual report of the Joint Economic Committee, on which I am pleased to serve.

In commenting upon the rather obvious need to restore the competitiveness of U.S. manufacturing and other major economic sectors in both the domestic and world markets, as well as the increasingly urgent, specific need to rebuild American industry, I said, in part:

> We must end the adversary relationship that now exists between government and business . . . (and) adopt the cooperative approach that has been tried and proven by several of our major allies and rivals, notably Germany and Japan . . . (adding that) conventional measures, such as regulatory reform and revision of tax and depreciation schedules are also necessary, but they are not enough.

Then, in the transportation field particularly, I further said:

> We need to rationalize and rebuild our railroads before they (quite literally) crumble away. The once-great mid-western roads are in imminent danger of complete collapse. (However), so long as the rights-of-way exist, there is hope for a comprehensive rescue operation—but if government inaction allows the rights-of-way to disappear, our transportation base will be irreplaceably lost.

In my opinion, Mr. Chairman, the thrust of this legislation—the Rail Act of 1980—is consistent with the thoughts I have now reexpressed concerning the need to "rescue" what remains of our essential, national railroad system, and I intend to support this bill and urge my colleagues to do likewise.

In further developing my reasons for such support, I would like to refer to the June 15th column of Henry Fairlie—that perceptive British observer of the American scene—in the Washington Post, to whose editorial pages he is a regular contributor.

Fairlie's column is entitled "Bring Back the Railroads," and he says he is indulging in neither a "lament nor an exercise in nostalgia," since—in his view—the "* * * story of the neglect and continuing decline of America's railroads is a subject for outrage."

In any event, Fairlie goes on to make a case for nationalization of our remaining railroad systems, pointing out that only in America—among industrialized nations—are railroads still not generally regarded as a responsibility that must be undertaken by the State. He then turns to the Economist of London—a source that cannot be accused of tenderness to socialist ideas—to find a quote suggesting we, of the United States, go instead "* * * to ludicrous lengths to disguise nationalization * * * (while using) regulation for not very different purposes," in order to draw his conclusion that this means American railroads get the worst of both worlds.

To carry out this theme, Fairlie suggests it may be considered "seditious" in America to say that a railroad like Conrail—with whose history we are all familiar—is "nationalized," but he then points out that Conrail's every effort to make itself more efficient is constantly frustrated by the Interstate Commerce Commission, through which "* * * regulation takes the place but does not offer the benefits of outright nationalization."

Finally, he quotes the present chairman of the nationalized British Rail system to the effect that it has much greater freedom to make its own commercial decisions than the unnationalized Conrail, supposedly operating "for profit".

I am not prepared, Mr. Chairman—at least not yet—to join Henry Fairlie or anyone else in embracing the concept of nationalized railroads for this Nation. Nevertheless, I am of the opinion that deregulation of the railroads, in a manner as developed in this legislation which I welcome, may be our last, best hope against that eventual possibility

So, I strongly support this bill, even as I wonder if—standing by itself—it goes far enough.

That concern on my part led to my interest—when the companion bill to this legislation was before the other body—in the so-called McGovern-Durenberger amendment, as called up there, and then withdrawn, by its two cosponsors, which would have provided for a refundable investment tax-credit of substantial benefit to those of our railroads, and unfortunately there are more of those than of the other kind, who are in a loss or marginally profitable situation.

Because of the unique economics of the rail industry, when weak railroads must cut back on expenditures they inevitably begin with deferring railbed maintenance; and, as a consequence, the great bulk of the estimated $4.1 billion in accumulated deferred right-of-way maintenance is concentrated in our weakest railroads—such as the Penn-Central system before it, and other bankrupts, became Conrail, or such as the Rock Island and the Milwaukee Road.

So we have, here, a problem that will remain with us even after this legislation is enacted—a problem that will still be crying for solution even after the full benefits of deregulation have begun to be realized. Without further study, Mr. Chairman, I am not sure that the McGovern-Durenberger approach would provide the best possible answer. But, if we are to avoid future Rock Island-Milwaukee Road disasters—and the ultimate costs involved in trying to resurrect such failing systems—perhaps we ought to be thinking in such terms as McGovern-Durenberger when, as now seems inevitable, we begin to concentrate on comprehensive changes in present tax policy aimed at providing a more favorable governmental climate for the planning and coordination of necessary investment decision either by the railroads or by other equally-important sectors of our troubled economy.●

● Mr. STAGGERS. Mr. Chairman, today the House is considering one of the more important pieces of legislation in this 96th Congress. The exceptional efforts of Mr. FLORIO and Mr. MADIGAN and all the members of the transportation subcommittee have brought a balanced legislative package to the House floor. Having dealt with the Milwaukee Road and Rock Island Railroads, I am convinced of the need for legislation that will permit the railroads to have greater flexibility so as to insure their ability to raise the capital necessary for investment in plant and equipment to provide transportation, to especially carry out our Nation's commitment to convert to coal. H.R. 7235 provides continued ICC protection for those shippers who do not have an alternative to rail transportation and do not have rail competition. The legislation limits rate increases over rates which the ICC does not have jurisdiction to 10 percent, plus inflation, per year until January 1, 1983, and provides broad contract authority by which both railroads and shippers can achieve greater asset employment and greater rate stability.

The legislation will provide substantial relief to those railroads which are moving traffic at less than 110 percent of their variable costs. The ICC has previously found that the imposition of surcharges under subchapter IV of title 49 is unlawful. Through the efforts of the American Short Line Association, a compromise amendment which will be offered by Congressman LEE, is being added to provide short line railroads protection in certain circumstances from the imposition of surcharge and cancellation.

A feeder line program is authorized to provide incentives for purchasers of lines that are proposed to be abandoned. This provision will assure that alternatives are explored where communities are confronted with the potential loss of rail service. It is important to note that the feeder program is not applicable to railroads in reorganization, although clearly it is the intent of Congress that such railroads should seek purchasers of lines they propose to abandon and Government assistance would be available to such purchasers.

The legislation is the product of extensive hearings and input from interested parties. It has been carefully crafted and deserves the support of the Members.●

● Mr. GONZALEZ. Mr. Chairman, the objective of H.R. 7235 is commendable, but section 202 of the bill imposes dreadful penalties on the biggest shippers of all, the captive shippers. What section 202 does is to allow the railroads to use their monopoly power over captive shippers to exact huge profits, and then use that money to reduce rates in areas where the railroads face competition. Alternatively, the railroads could use their monopoly profits for other purposes.

Those who believe the railroads will be satisfied with this bill, and all its potential for enhancing their profits, are sadly mistaken. The Burlington Northern is by any description one of the richest and strongest railroads in the Nation. Because the Burlington carries vast amounts of coal and grain, it enjoys the biggest monopolies in the business. No railroad would benefit more than the Burlington from the generosity of section 202, which permits the legalized rape of captive shippers. Yet, the president of the Burlington says that this legislation is not good enough. The Burlington does not want any, not even the slightest, regulation of its monopoly.

The Interstate Commerce Commission today allows railroads to make a 42 percent pretax profit on traffic hauled for captive shippers. This bill would double that. It would allow the railroads to earn better than 30 percent after-tax return on equity, at the expense of captive shippers.

Who are these captive shippers? They are the organizations that have such a vast traffic that it cannot be moved except by rail. Coal and grain are the most obvious of these. Who would pay the exorbitant profits allowed by section 202? The users of coal and grain, and that means every last citizen of this land. Section 202 allows the railroads to reach into each and every pocketbook and bank account, to exact whatever tax they want. Section 202 allows a redistribution of income, from the pockets of already oppressively burdened citizens, to the pockets of handsomely rich railroads.

I have always believed that a monopoly is granted only in exchange for public regulation. There are some businesses that are monopolistic by nature, and large-scale freight hauling is one of these. There is no way, save by rail, that millions of tons of coal can be moved, or that millions of tons of grain can be moved from the places of production to the points of ultimate use. Railroads enjoy certain monopolies. Historically, they have abused those monopolies, and that is why railroads were subjected to regulation in the first place. This bill does not give the railroads a completely free hand to charge anything they wish; it merely ties the hands of captive shippers and gives the railroads the key to the bank.

There are those who say that captive shippers and other large shippers could contract for rates, and so negotiate a better deal for themselves. But the railroads will negotiate only where there is credible competition. An automobile manufacturer might contract for a better rate, because his product can move by means other than railroads. But no coal shipper is ever going to find any advantage in contracting with the only shipper in town.

If anyone doubts what section 202 of this bill will allow, consider the case of San Antonio. My city was tricked into making an irrevocable commitment for what was then the biggest freight movement of all time, the shipment of coal from Gillette County, Wyo., to fire a new 860-megawatt generating plant in San Antonio. This shipment involves the movement of 50 million tons of coal a year over a distance of 1,300 miles. It takes 700 railcars, and occupies three 100-car-unit trains. Once San Antonio was inextricably committed, the railroads refused to publish any rate at all, let alone the one they had represented would be available. The ICC finally had to prescribe a rate, and then it allowed the railroads to jack that rate up to the point where today the Burlington makes a full 7-percent profit over variable costs—a rate that the courts have held is clearly unreasonable and without any basis in logic. Yet this is far less than section 202 of this bill permits. The railroad wanted even more than the unreasonably generous ICC allowed.

It is plain what will happen if this bill passes with section 202 intact. The citizens of my city, previously assaulted by a tenfold increase in natural gas costs, victimized by huge overruns on a nuclear powerplant, robbed by the railroads, would be left completely exposed to the endless demands of the railroads stripped even of the dubious protection of the ICC. We already pay so much for coal transportation that San Antonio could as cheaply use coal from Australia as it can from Wyoming. This bill makes coal use an expensive and very bad joke.

We, in Texas, are expected to switch over most of our generating capacity from gas to coal during the next decade. There is no way that this is going to happen unless rail rates are somewhere within reason. There is no way rail rates are going to be reasonable if section 202 stays in this bill.

A monopoly has to be subject to reasonable regulation. Captive shippers are the victims of monopoly, and they can only be protected by reasonable regulation. This bill takes away even the possibility of reasonable regulation. It is an unwise and wholly unwarranted abandonment of the public interest, a wholesale abrogation of responsibility, and it must not be approved as it stands. Section 202 of this bill is a clear and present danger to the consumers of this country, and even to the national energy policy. In the name of a good principle, the bill abandons a very basic principle. It may be sound to deregulate the railroads in areas where they have effective competition. It is another thing to give them untrammeled power and license where they do not. The heart of a monopolist is constructed of greed, powered by economic muscle, and inspired by the weakness of those who must pay whatever is demanded. The railroads, as far as this country is concerned, embody the heart and soul of classic monopoly, and it is a monstrous error to give to them the powers granted by section 202 of this bill.●

● Mr. MURPHY of New York. Mr. Chairman, I ask unanimous consent to revise and extend my remarks.

I rise to urge my colleagues to stop, look, and listen before acting on this so-called rail deregulation bill.

"Deregulation" is a fashionable phrase these days, but it is no panacea for the transportation industry. Deregulation should be tailored to the nature and circumstances of each particular mode.

Airplanes and trucks, for example, can move when and where they will, so if rates are artificially high or service is poor on a given route, new competitors can enter the market once regulatory barriers are removed. Rail cars, however, can move only where there are tracks to carry them, and since 70 percent of all rail traffic is interlined, railroads are uniquely interdependent and must cooperate if we are to have an efficient national rail network in the private sector which it is the stated purpose of this bill to foster.

Members should realize that this bill is unprecedented. For the first time since the Interstate Commerce Act was enacted, it would: First, relieve railroads of the burden of proving that their rates are reasonable; second, permit railroads to act unilaterally in imposing surcharges on joint rates and in canceling joint rates on through routes, affecting 70 percent of all rail freight traffic; and third, permit such surcharges to be unreasonably discriminatory—a wholly novel departure from the scheme of the Interstate Commerce Act.

I do not believe that the regulatory structure which was erected by the Interstate Commerce Act of 1887 should be dismantled except in those areas where the discipline of competition will protect the public against unreasonably high or discriminatory rates, poor service and predatory practices. As the distinguished chairman of the Committee on the Judiciary and of its Subcommittee on Monopolies and Commercial Law has written to me with respect to this bill:

> The railroad industry was regulated before the Sherman Act was created and has never effectively been subject to the full impact of the antitrust laws.

Chairman RODINO added:

> As Chairman of the Subcommittee on Monopolies and Commercial Law, I certainly agree with you that in our economic system the alternative to regulation must be competition.

I wish the Committee on the Judiciary had been as vigilant with respect to the absence of any provisions to safeguard competition in this bill as it was in the case of the omnibus shipping bill.

This bill, for instance, does not require the Commission to consider the anticompetitive aspects of rail mergers although as a result of proposed and pending mergers of major line-haul carriers, the Wall Street Journal forecast (June 3, 1980):

> The U.S. is clearly headed toward five big and profitable rail systems within about three years. The federally financed Consolidated Rail Corp., which operates at a deficit, is a sixth.

In short, our national rail system will soon consist of a few regional monopolies, largely free of regulation to protect the public interest if this bill is enacted in its present form.*

Under the Robin Hood-in-reverse approach of this bill, the rich railroads will get richer and the poor will become poorer. Indeed, Commissioner Stafford of the ICC predicts (Washington Star, June 21, 1980) that the 1980's will mark "the beginning of the end" for smaller railroads. Commissioner Stafford said:

> I believe through the rate-making changes and the merger of the large roads, service to communities of smaller roads will evaporate.

This bill, then, threatens many communities with the loss of rail service at the very time when we can least afford it in view of the far greater fuel efficiency of rail over other modes of transportation.

Moreover, rail-to-rail competition will soon become only a memory as a result of the mergers of big profitable railroads which are pending or proposed, with serious consequences for captive customers and communities, like the city and port of New York, which I have the honor to represent, who will have no practical transportation alternative, especially in the case of bulk materials—grain, cotton, coal, steel, lumber, paper, and chemicals—which are peculiarly suited to shipment by rail.

Under section 201 of this bill "a rail carrier * * * may establish any rate for transportation or other service"—except in the "absence of effective competition" which, in turn, is so narrowly defined by section 202 of the bill as to provide only limited protection to captive customers and communities.

For good measure, section 301 of the bill, for the first time, would allow a railroad to impose unilaterally a surcharge on joint rates and to cancel joint rates on through routes. Worse, section 208, also for the first time, would permit these unilateral surcharges and cancellations to be unreasonably discriminatory, leaving shippers, receivers, communities, and ports without recourse.

It is said that such unilateral surcharges and joint rate cancellations are needed to avert yet another application by Conrail to the Congress for further Federal funding. But Mr. Jordan, Conrail's outgoing Chairman, recently stated publicly (Journal of Commerce,

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*Section 201 of the Senate bill does deal with rail mergers, but ironically, it would require the ICC to apply antitrust standards only in a case "which does *not* involve the merger or control of at least two Class I railroads * * *." (Emphasis added.) Thus the Senate bill would impose anticompetitive considerations only where they are *least* likely to arise and would ignore them where they are *most* likely to create monopolies and suppress competition, i.e., mergers of big line-haul carriers. Even if the inadequate Senate provision were adopted in conference, Section 802 of this bill would render it inapplicable to merger applications pending "on the effective date of this Act," which is to say all, or almost all, of the mergers proposed by the big railroads.

June 4, 1980) that he "doubts very much" that even with this so-called "deregulation" bill, Conrail could continue without additional Federal aid.

Moreover, section 301 proposes the wrong remedy, because it provides no incentive whatever for Conrail to deal with the inflated costs it inherited from its bankrupt predecessors which are the crux of Conrail's problem.

Indeed, as Mr. Fishwick, the president of the Norfolk & Western, pointed out at the hearings on this bill, the effect of section 301, as it relates to Conrail, will be to foist Conrail's inflated costs on the rest of the rail industry—which is said to be already depressed—and on captive customers and communities who have no practical transportation alternative, especially in the case of bulk materials which are peculiarly suited to shipment by rail.

Furthermore, the authority to impose unilateral surcharges and to cancel joint rates on through routes unilaterally would be given by section 301 not only to Conrail but also to the big, profitable line-haul carriers in the South and West which could charge whatever the traffic will bear in many near-monopoly situations.

Where they interchange with Conrail, those big line-haul carriers will be able to decide what traffic to and from the Northwest and Midwest they want to keep by absorbing some of Conrail's excessive costs via more generous divisions to Conrail or by raising the level of joint rates.

Small and midsize carriers, however, lack the resources to do this; with shorter hauls and greater terminal costs they are far more vulnerable to truck competition and they stand to be badly hurt, as Commissioner Stafford predicts, along with the customers and communities they serve.

Section 301, therefore, would empower the big Western and Southern carriers to determine the shape and size of our national rail network in the Northeast and Midwest by remote control, so to speak, as their self-interest may dictate.

Finally, I believe there is a better solution to Conrail's problem than the unilateral surcharges and rate increases which section 301 proposes. A few facts and figures will shed light on Conrail's problem and the appropriate remedy. I am informed that Conrail handled 5 million cars last year and reported a net loss of $192 million. An increase of $40 per car handled, therefore, would have brought Conrail above the break-even point with a modest profit for the year. I further understand that 60 percent of Conrail's traffic originated and terminated on its own lines so that Conrail could have raised rates on this traffic without the concurrence of connecting carriers. As to the remaining 40 percent of Conrail's traffic which is interchanged with other carriers, where section 301 of this bill would apply, Conrail has had a remedy at hand all along via a divisions case seeking a larger division of its joint rates under existing law, 49 U.S.C. 10705 (b).

Accordingly, to alleviate Conrail's problems, I plan to offer an amendment at the proper time to substitute for the unilateral surcharges on joint rates and unilateral cancellations of joint rates on through routes which section 301 of this bill would authorize, the provisions for "Expeditious Divisions of Revenue" contained in section 107 of the Senate bill, S. 1946.

Under my amendment, the Interstate Commerce Commission would have to complete evidentiary proceedings to adjust the division of joint rates between the participating carriers within 9 months after a complaint is filed, and where the proceeding involves a railroad in reorganization or a contention that the divisions at issue do not cover the variable costs of handling the traffic involved, the Commission must give the proceeding preference over all other proceedings and take final action within 100 days after the evidentiary proceedings have been completed.

Conrail could thus obtain compensatory joint rate relief where it is justified within 1 year, under my amendment for the 40 percent of its traffic which is interlined. If Conrail cannot obtain adequate relief within 1 year under this expeditious divisions procedure, then the next Congress can deal with Conrail's remaining problems on the concrete factual record compiled before the Commission, rather than giving Conrail and the other big, profitable line-haul carriers a blank check to raise rates at will, regardless of their discriminatory effects.

I believe this approach is far preferable to the unprecedented, unilateral self-help, which section 301 of the bill would authorize in its present form.

It is said in defense of the unilateral joint rate provision, section 301, that a railroad should not be required to carry traffic at rates below its break-even point. Section 301, however, would authorize surcharges far beyond that level. 110 percent of variable costs is a floor, but not a ceiling, on the level of joint rate surcharges and cancellations. In any case, as I have already pointed out, section 301 provides no incentive for Conrail to cut its inflated costs which are the crux of its problem. Instead, section 301 would permit Conrail and other carriers to resort to unilateral self-help to increase its share of limited revenues at the expense of its connections. Section 301, therefore, in my view proposes the wrong remedy for the problem to which it is addressed.

Since this bill would lift the restraints of regulation upon unreasonable rail rates and unreasonably discriminatory rail rates without substituting the discipline of competition, I plan to offer an antitrust amendment giving civil relief to injured parties where the purpose or effect of a unilateral surcharge or cancellation of joint rates may be substantially to lessen competition or to tend to create a monopoly in any line of commerce, in any section of the country, to borrow the familiar language of the Clayton Act.

In addition, I plan to offer an amendment to section 208 of the bill so that unilateral surcharges of joint rates will be subject to the long-standing prohibition against unreasonable discrimination. I cannot believe that this House seriously intends to legalize unreasonably discriminatory rail rates for the first time since the Interstate Commerce Act was enacted in 1887.

Finally, I plan to offer an amendment to guarantee rail rate parity within a port in order to give effect to an amendment for that purpose which I sponsored and Congress adopted as section 202(f)(4) of the "4R" Act of 1976, only 4 short years ago. I emphasize that this amendment is limited to preserving only the intraport parity which has prevailed in the Port of New York since the dawn of rail service.

In conclusion, Mr. Chairman, I include material I have quoted in the RECORD at the end of these remarks:

COMMITTEE ON THE JUDICIARY,
Washington, D.C., June 12, 1980.

Hon. JOHN M. MURPHY,
House of Representatives,
Washington, D.C.

DEAR MR. CHAIRMAN: Thank you for your letter of June 6, 1980, regarding the "rail de-regulation" bill, H.R. 7235. I am not familiar with the specifics of the bill but, as Chairman of the Subcommittee on Monopolies and Commercial Law, I certainly agree with you that in our economic system the alternative to regulation must be competition.

As you know, the railroad industry was regulated before the Sherman Act was created and has never effectively been subject to the full impact of the antitrust laws. I am, therefore, reluctant to comment on specific proposals relating to deregulation without further inquiry.

I appreciate your concern and the fact that you have called this matter to my attention. I am having my staff look over the material you sent and will see if the Antitrust Division has any comments on the bill.

With every good wish, I am,

Sincerely,

PETER W. RODINO, Jr.,
Chairman.

[From the Wall Street Journal, June 3, 1980]

N. & W. AND SOUTHERN ROADS PROPOSE $2 BILLION MERGER TO MEET COMPETITION FROM OTHER BIG COMBINATIONS

(By John D. Williams)

NEW YORK.—The on-off romance of the Norfolk & Western and Southern railways is on again. Competition is forcing them to the altar for a merger totaling $2 billion in stock.

If their North-South union comes off this time, it would likely mark the last giant rail merger for many years. Two other big rail mergers, involving Western lines, were announced earlier this year. The U.S. is clearly headed toward five big and profitable rail systems within about three years. The federally financed Consolidated Rail Corp., which operates at a deficit, is a sixth.

N&W and Southern Railway considered a merger for seven months in 1979, but the talks broke down when personality differences and the question of which road would name the chief executive officer couldn't be resolved. Both L. Stanley Crane, Southern's chairman, and John P. Fishwick, N&W's president, will have reached retirement age before the merger can be completed in three years.

The terms call for creation of a company that would acquire the two railroads through a stock swap. Southern holders would receive 1.9 of the new company's shares for each Southern share; N&W holders would receive one new company share for each N&W share.

"They would come up with a strong company," says John Pincavage, an analyst with Paine, Webber, Jackson & Curtis Inc., "but shareholders of both companies should be

disappointed." N&W is a big coal carrier, and there's been world-wide publicity lately on coal's emergence as a substitute for high-priced oil, he explained. Southern's holders likely might want more shares in the new company, reflecting the efficiency and profit record of the Southern, he added.

The prior time N&W and Southern talked merger outsiders felt Southern was in the taking-over role. This time it appears to be a merger of equals, one analyst says. Each company will name eight members to the new company's board. Then, under a system neither would explain, a chief executive would be picked.

Neither N&W nor Southern would say which company initiated the renewal of merger talks that were aborted Oct. 26. But a source said a week of negotiations was concluded late Friday in the offices of Southern's Mr. Crane in Washington. Mr. Crane then departed for China, where he has been invited to tour the rail system.

One point was clear to all who follow the tangled affairs of railroads: The N&W-Southern merger is a defensive response to other big rail mergers announced since January. "The changing competitive situation was the principal factor leading to the agreement," the two companies announced jointly yesterday.

They obviously were referring to the pending proposal of Union Pacific Corp. to acquire Missouri Pacific Corp. with a $1 billion package of Union Pacific securities and to Santa Fe Industries' plan to buy Southern Pacific Co. with $1.2 bilion of Santa Fe securities.

Three forces are affecting railroads. They're expecting federal decontrol, so the roads seek the longest runs of freight they can make without sharing revenue with other railroads. They want to cut costs by slashing away at duplicate spending for equipment. And they want to lengthen their routes so big systems don't take business from them.

Anthony Low-Beer, an analyst with L. F. Rothschild, Unterberg, Towbin, feels protection against freight loss is the biggest reason for the rail merger vogue. "The sad thing about this latest merger is it creates a very strong railroad" in competition with a weak one, he said.

Mr. Low-Beer explained that a more balanced rail merger picture would join N&W with Seaboard Coast Line Industries, and Southern Railway with Chessie System. Instead, Chessie and Seaboard have a pending merger that's expected to win Interstate Commerce Commission approval this year. N&W-Southern will be a "very strong company financially with substantial cash flow in contrast of Chessie-Seaboard," which generally will be operating in the same North-South region, he said.

A merged Chessie-Seaboard would have more than a two-year head start on N&W-Southern, but that wouldn't be enough time to overcome the strong N&W-Southern competition, he says. In fact, he says, N&W-Southern could expand by buying pieces of track from Chicago, Rock Island & Pacific, in liquidation proceedings, and from Conrail if any tracks are sold.

The N&W-Southern plan, like other rail mergers or acquisitions, requires shareholder approval and ICC authorization. ICC proceedings can take as long as 31 months. Rail mergers also are often delayed by various court tests, as is the one of Burlington Northern with St. Louis-San Francisco Railway.

Darius Gaskins, ICC chairman, said in an interview that although the proposed merger doesn't involve the joining of parallel railroads, it nevertheless may hurt competition.

The merger would join two end-to-end roads, something the ICC has been favoring, but this one has the handicap of involving two railroads serving Eastern coalfields, Mr. Gaskins said.

Chessie System is already moving to merge with Seaboard, he noted, so a Southern-N&W consolidation would trim a second major road serving those coalfields: The number of such lines is "potentially shrinking pretty fast," an issue that the ICC will look at and that might cause problems, Mr. Gaskins said.

The basic lines of N&W's system are in 14 states from New York to Virginia and west to Nebraska. Southern has operations in 13 states from Virginia and Florida to Tennessee and Louisiana. Together, they run trains on 17,679 route miles, which would make about the fifth-longest system in the U.S.

Here's how the two rail systems compared in 1979:

	Southern	North and west
Revenues (billions)	$1.47	$1.45
Net income (millions)	$160.6	$198.6
Properties (billions)	$2.3	$2.1
Work force	21,605	24,433
Common shares	15,337,000	31,194,000
Shareholders	31,453	76,062

In terms of assets, the new company would be in the top three in the industry. In railroad income (many Western roads derive profits from oil and other natural resources), a N&W-Southern combination would be No. 1.

The market greeted the merger news as a "ho hummer," an analyst says. There's been some strong buying of N&W for the past few weeks, based presumably on a bullish world coal survey. But yesterday in New York Stock Exchange composite trading it closed at $30.625, off 50 cents. Southern, also on the Big Board, closed at $59.75, up 25 cents.

"The announcement didn't bowl anyone over," said Dennis Enright of Bache Halsey Stuart Shields Inc. "The stock prices reflect the terms of the merger that is three years away."

He and other analysts wonder what will happen next to smaller railroads that haven't yet found a merger home. Included in their lists are the Illinois Central Gulf, Missouri-Kansas-Texas, Chicago & North Western, Kansas City Southern and Denver & Rio Grande Western railroads.

DEADLINE SET ON RAIL MERGER

WASHINGTON.—July 11 is the deadline for competing railroads to reach settlement agreements in the Chessie-Seaboard merger case, the Interstate Commerce Commission announced this week.

The purpose of the agency is to give railroads an opportunity to purchase portions of the Chessie and Seaboard systems.

Cited as an example was the Southern Railroad's interest in the Louisville & Nashville line between Louisville, Ky., and Chicago, Ill.

"There may be other examples where parties have been unable to agree on specific terms such as price of properties and operational arrangements because of a failure to communicate adequately," the agency said.

ICC Administrative Law Judge David H. Allard was named as the agency's liaison in any possible settlement negotiations.

The deadline for a decision by the agency is Oct. 24.

The Chessie-Seaboard merger, if approved, will create a 27,500-mile system blanketing the Northeast and the South.

APPROVAL SOUGHT FOR TAKEOVERS

(United Press International)

Union Pacific Corp. Tuesday said it plans to request approval for the takeovers of the Missouri Pacific and Western Pacific railroads around Sept. 15, after which a regulatory decision is required within 31 months.

Union Pacific filed notices with the Interstate Commerce Commission that its merger plans, first announced in January, will be submitted in formal applications by fall. ICC deliberations on rail mergers are limited to 31 months.

Union Pacific's filings followed announcement Monday of a proposed merger between the Southern and Norfolk and Western railways, another in a series of rail combinations that is expected to leave the nation with five private railroad giants plus Conrail, the federally supported system.

Burlington Northern's acquisition of the Frisco already has been approved. Pending are consolidations of Seaboard Coast Line and the Chessie System and the Santa Fe with Southern Pacific.

Union Pacific plans to buy the Missouri Pacific for $1 billion in securities. It already has acquired 87 percent of the common stock of the much smaller Western Pacific and is holding that stock in a trust until it receives ICC takeover approvals.

[From the Journal of Commerce, June 4, 1980]

MERGER POLICIES TO BE DISCUSSED

WASHINGTON.—A special conference on railroad merger policies will be held by the Interstate Commerce Commission next Tuesday.

Meanwhile, a leading railroad merger expert said it is easier to apply for a merger than it is to oppose one.

The meeting will be held in Hearing Room B at the ICC's Washington offices.

It will begin at 9:30 a.m.

The current commission probably will approve any merger applications unless it is obvious something horrendous will happen to competing lines, John E. Haley of Sidney & Austin told the Transportation Research Forum here Wednesday.

But parallel mergers such as the proposed Southern Pacific-Santa Fe combination could create some problems.

"All in all it's a great climate for applicants," he commented, "but not very good for protestants."

[From the Journal of Commerce, June 4, 1980]

SMALLER MARKET SEEN ONLY HOPE FOR CONRAIL

Conrail originally was given $1.8 billion in federal funds, with the expectation that it would become profitable in five years. But, ultimately, Conrail ran out of money and had to get an additional $1.5 billion in aid.

"I am embarrassed by how much money that is," Mr. Jordan said, "every time I think about it." He said he believed the money was well spent on rebuilding the core of the Conrail system. But he said it was foolish to have believed pouring in Federal dollars would solve all the railroad's problems.

With hopes for quick profitability from increased traffic extinguished, Mr. Jordan said, it is up to Congress to determine the future course of the railroad. He said Conrail would submit a report to the USRA this summer, laying out options for the future.

"The prospects for growth are not what I would like," Mr. Jordan said. "We have to seriously examine the amount of rail service we want in the Northeast, and how much we want to pay for it."

For Conrail to have a chance at future profitable operations, he said, current regulations limiting the railroad's ability to set freight rates must be eliminated.

Mr. Jordan has been in the forefront of the battle for rate deregulation, arguing that current tight limits on pricing have forced Conrail to carry a large percentage of its traffic at a loss.

Increasing transportation costs on currently unprofitable freight would eliminate much of the traffic and thus effectively

shrink the scope of the railroad's operations. Conrail could then concentrate its efforts on developing business on a smaller number of more profitable lines, he said.

Mr. Jordan said that Conrail—the nation's largest railroad, covering 17,000 miles in 16 states and Canada—is too big to be profitable. "The railroad industry has got the problem," he said. "We've just got it in spades."

VERGE OF APPROVAL?

The announcement of Mr. Jordan's departure comes as Congress seems to be on the verge of approving the deregulatory measures that Mr. Jordan has been fighting for.

Rep. James J. Florio, D–N.J., chairman of the House Transportation subcommittee, repeatedly has said that he doubts there are enough votes to give Conrail any more federal aid, and he has said he hopes deregulation will diminish the need for more support.

But Mr. Jordan said that he "doubts very much" that even with deregulation Conrail could operate without additional aid.

He noted the example of the Canadian National Railroad, which took about five years to produce a profit after deregulation. Asked when he thought Conrail could become profitable, Mr. Jordan said, "I just don't think I can speculate on that."

Mr. Jordan said that alternatives to continue aid that Congress might consider, such as quick sweeping cutbacks in the railroad's operations, might have an even higher economic cost in terms of lost jobs on the railroad and in the businesses it serves.

"Everybody is looking for magic answers out there," said Mr. Jordan, who is stepping down to become dean of Cornell University's Graduate School of Business and Public Administration. "It turns out there aren't any magic answers."

Among the problems facing railroads, Mr. Jordan said, are the higher costs of maintaining their track systems, and labor agreements that require overstaffing of some trains.

[From the Washington Star, June 21, 1980]

ICC'S STAFFORD PREDICTING DEMISE OF SMALL RAILROADS IN THE 1980S

Interstate Commerce Commissioner George Stafford said yesterday he believes the 1980s will mark "the beginning of the end" for scores of smaller railroads.

The former ICC chairman said he believes the short lines will not be able to cope with changes in ratemaking regulations and pending mergers of some of the nation's big railroads into even larger systems.

"I recently told the short line people I felt this was the beginning of the end," said the Kansas Republican, who headed the ICC for seven years but, as a proponent of continued regulation, now often finds himself the lone dissenter in decisions since President Carter took office.

"I believe through the rate-making changes and the merger of the large roads, service to communities of smaller roads will evaporate," with the result that shippers will have to truck goods to major rail points, he said.

Stafford spoke at a luncheon with reporters and representatives of the transportation industry.

The commission has moved gradually toward less regulation and greater competition among railroads. Major legislation to push those goals even further is expected to pass Congress in the next few weeks.

Stafford said when he was first appointed by President Lyndon Johnson in 1967, he opposed any regulation at all, but he changed his position once he learned how the nation's transportation system operated.

"I don't hear much talk about service at the commission now," he said. "We're talking about competition."

The recent rash of merger proposals, combined with "the policy of the commission majority that we do not believe in any protective conditions" to help railroads that will lose business as a result of a merger, will speed the demise of the short lines, Stafford said.

Stafford cited the recent approval of Southern Pacific's application to buy the bankrupt Rock Island's 965-mile "Tucumcari line" from Kansas to New Mexico, which was approved by the ICC without conditions.

He said he felt the Missouri-Kansas-Texas (Katy) railroad needed some protection from that acquisition, which will shorten Southern Pacific's Los Angeles-St. Louis run by 400 miles.

"I won't be fatal to them, but when the Union Pacific-Missouri Pacific merger comes before us, and if we approve it, Katy's loss is going to be tremendous," he said.

Asked if he would consider an appointment as chairman again should a Republican win the White House in November, he said, "No, sir, I've had seven years of that."

But asked whether he will seek reappointment when his second term expires Dec. 31, he said, "Why don't we wait and talk about that some other time?"

[From the Journal of Commerce, June 23, 1980]

PROBLEMS SEEN FOR SHORT LINES

WASHINGTON.—Drastic railroad deregulation coupled with the ongoing wave of mergers within the industry will create major problems for short line railroads and some carriers left out in the cold, Interstate Commerce Commissioner George M. Stafford predicted at the weekend.

Massive deregulation eliminating joint rate requirements could spell the beginning of the end for short line railroads, Commissioner Stafford told a group of reporters here Friday.

He also questioned the wisdom of recent ICC decisions not to impose protective conditions as part of its approval of the Burlington Northern-St. Louis San Francisco merger and the Southern Pacific's purchase of the Tucumcari Line from the Chicago, Rock Island & Pacific Railroad.

Detroit, Toledo & Ironton conditions should have attached to protect the Katy in the Tucumcari case, he added.

The Katy is expected to take the ICC to court over the matter and the Supreme Court last week upheld another order the Katy received blocking the BN-Frisco merger from going into effect until a court rules on the conditions question.

Though the ICC's decision not to impose conditions in these two cases probably won't prove fatal to the Katy, Commissioner Stafford said, major problems will arise if a similar position is adopted in the Union Pacific-Missouri Pacific merger.

The UP's application to take over the Mo-Pac and the Western Pacific Railroads is expected to be filed at the agency this fall.

Another carrier—the Denver & Rio Grande Western—thinks it could lose 40 percent of its freight because of the merger, Commissioner Stafford added.

Short line railroads must have good relations with large lines if they are going to survive in a deregulated market, he concluded.●

Mr. MADIGAN. Mr. Chairman, I have no further requests for time. I yield back the balance of my time.

Mr. FLORIO. Mr. Chairman, I have no further requests for time. I yield back the balance of my time.

Mr. Chairman, I move that the Committee do now rise.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker pro tempore (Mr. COELHO) having assumed the chair, Mr. AUCOIN, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H.R. 7235) to reform the economic regulation of railroads, and for other purposes, had come to no resolution thereon.

GENERAL LEAVE

Mr. MADIGAN. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days during which to revise and extend their remarks on the bill, H.R. 7321.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Illinois?

There was no objection.

GENERAL LEAVE

Mr. AuCOIN. Mr. Speaker, I ask unanimous consent that all Members be permitted to have 5 legislative days in which to extend their remarks and to include therein extraneous material on the bill, H.R. 7235.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Oregon?

There was no objection.

□ 1500

CLIFFORD EVANS

(Mr. ADDABBO asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. ADDABBO. Mr. Speaker, I would like to take this opportunity to pay tribute and call to the attention of my distinguished colleagues, the significant journalistic achievements of a great journalist and dear friend of mine, Clifford Evans, vice president of the Washington news bureau for RKO General Broadcasting. I am proud to say that on May 3, 1980, at the annual White House Correspondents Association Dinner, he was installed as vice president. More importantly, he was the recipient of an award "for excellence in broadcast journalism" for his March 12 reports from Jerusalem on positive changes in the stalled Middle East peace talks. What makes this award so special is that this is the first time a broadcaster has received a Journalism Award at the dinner.

Its been a tremendous pleasure to have known Clifford in the years I have served in the House. I can honestly say that I am not surprised his peers have sought to honor the work he takes much pride in, and loves so much. If anyone ever exemplified what a good, hard working, reliable journalist is, that person would be Clifford Evans. Being a member of the media is a tough profession. The hours are long, the responsibilities great, and the deadlines always too short. A good jounalist just does not report what happened, he reports why and whom it will affect. Cliff Evans has always seen to that, and that is why he has earned the respect and admiration of his colleagues, and will continue to do so.

Clifford Evans is to be commended for

his contributions to the Washington media. He has taken a tough job in a news bureau and handled it with an expertise and aplomb worthy of admiration of his peers. It goes without saying that I am confident he will continue to bring his unique style of professionalism to a most demanding, time consuming position. I wish him the best of luck and good health in the future.

POLITICAL AND ECONOMIC SITUATION IN NICARAGUA

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Arkansas (Mr. ALEXANDER) is recognized for 10 minutes.

● Mr. ALEXANDER. Mr. Speaker, in view of the impending consideration of the fiscal year 1980 supplemental appropriations bill which may contain provisions for a $75 million reconstruction loan, I recommend to my colleagues this third in a five-part series of articles by Will Steif on the political and economic situation in Nicaragua.

The article follows:

CAMERICA

A week after the 1972 earthquake flattened Managua, the number two man in the U.S. Embassy here—James Cheek, now deputy assistant secretary for Latin America—told the State Department the quake would speed up the Nicaraguan revolution. No one in the Nixon administration listened, because the U.S. ambassador in those days was Turner Shelton, a Foreign Service officer who'd ingratiated himself with Richard Nixon in the 1960s and was close to Somoza.

The U.S. ambassador's residence in Managua, perched on a hill above the city, is the fourth largest U.S. ambassadorial residence in the world—bigger, for example, than the U.S. ambassador's residence in France.

Following the quake, Shelton refused to use his undamaged residence to aid victims. Instead, he complained of electrical outages.

Homeless Managuans haven't forgotten Shelton's callousness. The residence, more than a dozen huge bedrooms, swimming pool, cabana, spacious grounds, became a symbol. When Lawrence Pezzullo became ambassador last year he refused to live in the mansion. He wants to turn it into needed offices.

Somoza's former home is similar. Long, low, with thick carpets, paintings, tennis court, big pool and cabana. It's now headquarters of the Ministry of Culture and Sport, and that's where I found Mercedes Dreyfus, the ministry's director of international relations.

She is an exquisite brunette from a wealthy family. She went to Holy Cross High School in Washington, D.C., college at Lausanne, Switzerland, married and later divorced Enrique Dreyfus, head of the leading private-sector group negotiating with the Sandinistas. She is a passionate believer in the revolution.

"Many of us come from the bourgeoisie and the rich," she says.

There are probably 3,000 Cubans in Nicaragua, 1,200 of them teachers, several hundred doctors and paramedics, the rest technicians of various kinds.

At Fstell, a city northeast of Managua, Cubans and Spaniards have set up hospitals. Long lines form at the Spanish hospital daily, but none form at the Cuban hospital. Reason: The Spanish brought drugs and equipment, the Cubans brought none—and word gets around quickly.

"There is a kind of backlash against the Cubans," a Nicaraguan says. "Many are not practicing Catholics. We are. They are not civil. They give offense when they say, 'This is the way we do it in Cuba.' "

Downtown Managua recalls Gertrude Stein's crack about Oakland, Calif.: "There is no there there."

The center of this city of 500,000 is mostly weedy vacant lots and a few skeletal buildings. The Palacio Nacional, on what is now the Plaza de la Revolution, survived the 1972 quake, as did the Central Bank building, now the Casa de Gobierno, government headquarters.

The rest of the city is spread in clusters of tin-roofed shacks, often on unpaved streets. The factories that used to lead to the Intercontinental are gone, but a few remain on the road to the airport. In the free trade zone Nicaraguans still transform fabrics shipped from the States into blue jeans and bras, which are shipped right back for sale in U.S. chain stores.

Nicaragua was a wealthy country by Central American standards until the revolution. It had a small population, loads of land and a varied economy, with coffee, cotton, beef, shellfish, sugar and bananas all contributing, in that order, to export earnings. The profits wound up in the hands of the Somoza family and his henchmen in the hated Guardia Civil.

Unlike the capital, the country bounced back quickly from the 1972 quake and by 1977 per capita income was $966—misdistributed. The revolution left 1979 income at $516. Unemployment today is 30 to 40 percent of the work force and inflation 40 percent yearly. The cordoba, devalued 43 percent in April 1979, is officially worth 10 to $1, but 18 to $1 can be had easily.

The junta, the nine-member Sandinista directorate and the 47-member State Council, a quasi-legislative group, admit free enterprise is needed to get the country on its feet.

William Baez, a Cornell-trained businessman, says, "It's most important for the private sector to be part of this game." Some Sandinistas "are Marxists, but some are very pragmatic," he says, and recognize private business is the best way to revive the economy.

Baez, 32, runs the Nicaraguan Development Foundation, which has created dozens of growers' and marketing cooperatives around the country.

"We now have the possibility of high growth with good distribution," he says. "Things must change here, but we can't copy the disastrous Cuban model. The problem is all the talk about the revolution. Lots has to be delivered because so much has been promised."

The big campaign now is "alphabetizacion," to teach the illiterate half of the populace how to read and write. College and high schools were closed in January and 100,000 youngsters sent to the countryside to teach. There are 23 lessons, and the campesinos—peasants—are about halfway through them. Progress in each province is recorded on a giant scoreboard on the Plaza de la Revolucion.

I'm at a cocktail party and notice a striking woman sitting alone on a patio step. Her name is Maritza B.; she's a secretary and mother of four.

"Is your husband in business?" I ask.

"No," she says, "he's in jail."

Her husband went to medical school, was entranced with Marxism, went to Moscow, returned and took part in the revolution. He was jailed last fall. He was too far left. Maritza says her husband will be freed in two months, and wants to go immediately to Mexico or Venezuela.

"I am not a Marxist," she says. "I am a Social Democrat. I believe in social justice, not Marxism."

She is on the verge of tears. "My husband is very domineering," she says. "I do not know if I can go on with him."

Politics and Machismo live side by side here.●

PLANNED SALUTE TO THE VA 50TH ANNIVERSARY, JULY 21

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Texas (Mr. ROBERTS) is recognized for 5 minutes.

● Mr. ROBERTS. Mr. Speaker, as chairman of the House Committee on Veterans' Affairs, I would like to bring to the attention of my colleagues that Monday, July 21, 1980, marks the 50th anniversary of the Veterans' Administration as the sole Federal agency responsible for caring for the needs of the American veteran.

The ceremonies planned for that day in Washington and around the country will climax a year-long celebration recognizing a half century of dedicated service and humanitarian achievement by the VA.

To mark this occasion on Capitol Hill, Senator ALAN CRANSTON, chairman of the Senate Veterans' Affairs Committee, and I will sponsor an exhibit of photographs and displays detailing the history of veterans' programs in the United States, the development of the Veterans' Administration, and the present role of the agency in serving over 30 million veterans in our country today. The exhibit will be displayed in the rotunda of the Cannon House Office Building and will be on view for the general public, Members, and congressional staff from July 14 to July 25.

Also, on the 50th anniversary day itself, the House of Representatives closed-circuit television broadcasting system will air three films produced by the Veterans' Administration: "Foundation for Caring," "A Grateful Nation Remembers," and "Wherever We Find Them." The films, detailing the role and commitment of the Veterans' Administration will be aired on the House closed-circuit television system on channel 6 at 10 a.m., July 21.

I urge my colleagues to make note of these observances honoring this very significant milestone in public service. I would also like to submit for the RECORD a list of other activities marking the VA 50th anniversary in Washington during July and throughout the summer.

VETERANS' ADMINISTRATION 50TH ANNIVERSARY ACTIVITY SCHEDULE JULY 1980

1. Tuesday, July 15—8:00–9:15 P.M. Jefferson Memorial. U.S. Army Band Military Concert.

2. Sunday, July 20—9:15–9:45 A.M. Constitution Gardens on Constitution Avenue, N.W., Religious Service.

3. Monday, July 21—9:30–10:00 A.M. St. John's Episcopal Church, 1525 H Street, N.W. Commemcrative Stamp Ceremony.

4. Monday, July 21—9:00 A.M.–4:00 P.M. VA Central Office, 810 Vermont Avenue, N.W., Commemorative Stamp First Day Issue Program.

5. Monday, July 21—10.30–11:45 A.M. Lafayette Park. Living Memorial Tree Dedication.

6. Tuesday, July 22—Labor Day. Pension Building, 440 G Street, N.W. VA Architectural Exhibit. "Building for Veterans."●

IMPROVE AIR TRAFFIC SAFETY

The SPEAKER pro tempore. Under a previous order of the House, the gentle-

man from Texas (Mr. GONZALEZ) is recognized for 15 minutes.

● Mr. GONZALEZ. The Subcommittee on Government Activities and Transportation, chaired by my good and able friend JOHN BURTON, has undertaken an important investigation of the Nation's air traffic control system. I hope that my colleagues will pay close attention to this investigation, for it reveals that our air traffic control system stands in the need of improvement. The number of controllers we have is not adequate, because there has not been enough staff added in the past few years. The vital computer equipment that makes the system function is all too often susceptible to breakdowns of varying lengths of time.

I believe that among other things, all near-misses involving aircraft should be independently reviewed and analyzed. Presently these incidents are reviewed by the FAA itself, and while those studies may be fine, it is assuredly likely that recommendations based on independent review are more likely to lead to action. If the National Transportation Safety Board were to conduct reviews of all near-misses and then to make public recommendations, we would have a better assurance that the FAA would take timely and effective action to improve its operations. I offered this suggestion to the subcommittee at its hearing today, and offer my statement for the RECORD.

STATEMENT OF U.S. REPRESENTATIVE HENRY B. GONZALEZ BEFORE THE SUBCOMMITTEE ON GOVERNMENT ACTIVITIES AND TRANSPORTATION, JUNE 30, 1980

I would be remiss if I did not begin by complimenting the Committee and the Chairman for your diligent interest in the question of air safety. It is true that air travel is relatively safe, but it is also true that nothing can be taken for granted. Where safety becomes a matter of luck, we are in trouble. In my judgment, air safety is now altogether too much a matter of luck.

Last week the National Academy of Science expressed great concern about the ability of the Federal Aviation Administration to keep up with aircraft technology. There is reason for this concern. The failure of an aircraft cargo door in Paris, several years ago, led to a tremendous loss of life. The failure of an engine mounting in our own country last year led to a similar tragedy costing 273 lives. This should have been ample warning that the FAA type certification program could have been, and may well be, less than adequate. The report of the distinguished technical panel last week ought to be warning enough: the FAA needs to seriously examine its own competence.

Your concern is with air traffic control, and for very good reason. This has been a matter of the greatest concern to me throughout all my years in Congress.

The worst accidents in aviation involve mid-air collisions. The only way to avoid these catastrophes is to have the most perfect traffic control system the mind of man can devise. The system we now have may not be up to its task. You are already well aware of near-misses on the ground, as aircraft land and take off on intersecting runways. There are more of these than most people think, and it is more a matter of providence than anything else that the Tenerife crash has not been repeated in our own country. You are well aware also of the increasing and unacceptable risk of collisions in the congested airspace near airports. Unless the traffic control system is improved there is no doubt whatever that catastrophic accidents will occur.

I want to emphasize at this point that I do not believe the growing risk of collisions is going to be eased by additional and more elaborate traffic rules. The FAA, in response to the San Diego tragedy, issued rules that tighten the control of airspace around all major airports. The creation of additional terminal control areas (or TCA does not address, let alone solve, the basic issue, which is the adequacy of the traffic control system—the hardware—rather than the adequacy of the rulebook. If the radars and computers are not adequate, the rulebook means nothing.

My personal concern about the adequacy of the FAA system dates back to 1962, when the then-Administrator, Najeeb Halaby, suddenly decided to relocate the almost and brand new San Antonio Air Route Traffic Control Center (ARTCC) to Houston. It was clear at the very outset that this move was made for political reasons: Houston happened to be the district of the newly elevated Chairman of the Appropriations Subcommittee that had jurisdiction over the FAA's appropriations. When I challenged the move and gave voluminous technical arguments to suport my case, Administrator Halaby dismissed me as merely "a freshman Congressman acting like a freshman."

I was persuaded, and still am, that the relocations of an ARTCC for political reasons is a dangerous business. I became alarmed that the whole traffic control system was subject to modification on political rather than purely technical grounds. I learned the hard way that safety is not always the thing uppermost in the minds of FAA administrators.

Today we have a situation in which the technical competence of the FAA is being questioned. We have a situation in which the adequacy of the traffic control system is also under question and subject to growing doubt. In this situation I am disappointed (but, regrettably, not surprised) to see that the FAA responds with either silence or denials. In my case, it is silence: I have tried without success since April to get substantive replies to questions I addressed to the present Administrator, Mr. Bond. My original inquiry was not answered, nor have my subsequent letters been answered. My last two letters have not, in fact, even been acknowledged. If you have no objection, Mr. Chairman, I offer these for the record.

I know that your immediate concern is the effectiveness of the ARTC radar and computer system. Let me review for the Committee an incident that shows your concern is very well warranted.

Last May 19, at approximately 12:55 P.M., there was a near-miss between a Braniff airliner and a privately-owned Cessna near San Antonio. The details of this incident are worth reviewing closely.

The weather was fair: about a 60% overcast. The ceiling that day was about 3200 feet. Since the time was about Noon, traffic near San Antonio was relatively light. The Cessna had taken off a few minutes earlier, made a turn and was climbing out. The Cessna was on visual flight rules and had declined Stage 3 service, as do about half the private pilots at San Antonio. Meanwhile, the Braniff was on final approach. The tower instructed the airliner to descend to 3000 feet. When the aircraft broke through the cloud cover, the flight engineer saw the Cessna directly in his flight path. He warned the pilot, who immediately took evasive action (a 30° left turn) and missed the Cessna by about 500 yards. There is no sign that the pilot of the private plane ever saw the Braniff aircraft.

The FAA has claimed that this near-miss would probably have been avoided if San Antonio were a terminal control area (TCA). In a TCA, all aircraft must be under positive control, which means that the Cessna pilot would not have been able to decline Stage 3 service, and so would have been on instrument rules instead of visual rules at the time of the incident.

The FAA also says that in this case the private plane was not observed on radar, which is why the Braniff pilot was not told that the Cessna was in his way.

In short, the FAA contradicts itself. Let me explain.

When a pilot declines Stage 3 service, it only means that the traffic controller has no obligation to warn that individual of traffic around him. It is up to that pilot to see and avoid other aircraft. But the FAA does have the duty to let IFR traffic know about all traffic in the area. Since the commercial plane was on IFR, as all such aircraft must be, the FAA had the clear obligation to tell the Braniff pilot where the Cessna was. This did not happen, and the FAA says that it did not happen because the private plane was not observed on radar. In short, the problem here was not, as the FAA put it, the absence of a TCA in San Antonio. The local rules did not have anything to do with the case. The real problem was that the FAA did not know, or did not report, the position of the Cessna to the pilot of the Braniff plane. Now how could this happen?

The FAA offers the speculation that the Cessna was obscured on its radar screens. They say that the target might have been covered up by alphanumerics (the designators that identify different aircraft on the screen). But if that was the case, the whole radar system is open to grave question. Alphanumerics are not supposed to be able to obscure radar targets; if they do, the whole usefulness of the radar is void. Therefore, if the target was covered up by the designators, we could have a first-class crisis on our hands, since blind radars are no radars at all.

Another possibility is that the operator simply did not see the target, and made a mistake. No one knows, and the FAA does not suggest that this happened.

A third possibility also not mentioned by the FAA is that the local radar was out at the time. I know for a fact that the San Antonio computers have been out at least twice in the last two weeks, so it is certainly a possibility that the system was not working at all on that particular day, or at that particular time. When you get computer failure, which is what we've been seeing in San Antonio, the radars can see targets but are not able to track them. This could very well have been the situation on May 19.

The question is, how to get to the bottom of this.

One way is to gain access to the records of the incident and have those records analyzed. Sadly, an analysis of the computer records would not reveal whether or not the Cessna was obscured by alphanumerics on the radar screen, because that is not part of the record. Neither will the computer tapes or voice tapes answer whether or not there was a mistake by the traffic controller; they might or might not answer that question. But the tapes would definitely show whether or not the system was working at the time of the incident, and that is a matter of the greatest moment.

In air traffic control, the rulebook is important. The rulebook means nothing, however, if there is not a working radar and computer system behind it all. How well that system works, and how often it is down, are questions that absolutely must be answered.

There are many incidents like the one I have just described to you. The question is how many, and how often do they happen, and why do they happen.

I do not believe that the FAA would willingly come to you and say that they've had frequent failures in their traffic control hardware. After all, to admit that would be to shed doubt on the safety of the system. The FAA is torn between two desires: to keep accidents from happening, and to keep pub-

lic doubt from rising. But the only way to keep accident rates from building up is to admit system failures and be aggressive about correcting those problems.

I do not yet know exactly what happened in San Antonio on May 19. I am trying to get access to the voice and computer tapes that cover the incident, so that independent analyses can be done. An analysis of this type is more likely than anything else to show exactly what went wrong and what should be done about it.

I would recommend to you that as a matter of policy there should be an independent analysis done not just of air accidents, but near-misses as well. We all know that a postmortem of an accident can provide valuable lessons on what happened and why. I argue that a clear and independent analysis of a near-miss can also give us valuable, even crucial lessons. There is no need to wait until after the funeral to seek out problem areas and address them.

The National Transportation Safety Board performs an independent study of aircraft accidents. No one questions its competence nor its objectivity. I believe that as a matter of course the National Transportation Safety Board should analyze near-misses and provide, when it is appropriate, necessary safety recommendations.

I suggest this not because I don't trust the FAA, but because it needs the benefit of independent thinking. I do not see why the National Transportation Safety Board should have to wait until an accident happens to start doing its analytical work. What is really needed, to the extent we can get it done, is anticipatory analysis. This type of work can easily be done in the FAA traffic control system. Whenever there is a near-miss there is available a complete set of voice tapes that show what every involved party was saying at the time, which in turn shows with reasonable clarity what was happening at the time. In addition to that, there are computer records that show what the traffic control system was—or was not—doing at the time. These records are reliable and what is more important they can be subjected to a whole array of examinations and tests.

Independent and routine analyses of records covering near-misses would beyond any doubt shed great light on the adequacy of the FAA's traffic control system. It would beyond any doubt point clearly to weaknesses that need to be addressed. It would help the FAA do its job, help the Congress evaluate that job, and assure us all that weaknesses in the system are discovered and corrected before, and not after, accidents happen. Where we have the means—the Transportation Safety Board—and the capability—the records and analytical tools necessary, I am confident that we can greatly enhance the reliability of the traffic control system.

I also believe that this Committee should press its case. I believe that you are doing a genuine service by asking the questions that need to be raised. This is the only way to assure that we actually do have the best traffic control system that can be devised. In the realm of safety, it is not enough to rely on luck and hope. It is not enough to think that everything is as well as it can be. The only way to be certain of safety is to ask the hard questions and then act on the basis of your findings.

I commend you for your effort. I thank you for the opportunity to present my views.●

CZECHOSLOVAK NATIONAL COUNCIL OF AMERICA ENDORSES INCREASED MILITARY PREPAREDNESS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Illinois (Mr. ANNUNZIO) is recognized for 5 minutes.

● Mr. ANNUNZIO. Mr. Speaker, in Chicago recently for their biannual convention, the members of the Czechoslovak National Council of America approved a foreign policy statement which endorses "increasing, as soon as possible, the military strength and preparedness of the United States."

Not only in Afghanistan, but also in many other countries throughout the world, the Soviet Communists have made serious inroads, and I join the Czechoslovak National Council of America in their desire to keep us the strongest democracy on the face of the Earth in determined opposition to Russian totalitarianism wherever it rears its ugly head.

The full text of the foreign policy statement of the Czechoslovak National Council of America follows:

CZECHOSLOVAK NATIONAL COUNCIL OF AMERICA FOREIGN POLICY STATEMENT

1. The present-day situation in the world is defined by relations between two superpowers—the United States and the Soviet Union. In this encounter, the United States represents the positive values of liberty, human rights, peace, national self-determination, and economic progress.

Therefore, the United States must avoid anything which would hinder it from carrying out these ideals or would bind it to a morally-wrong toleration of national oppression or suppression of human rights. The United States must clearly proclaim these principles and disseminate them especially by means of modern mass media/radio, etc./. In its foreign policy the United States must distinguish between forciby imposed political leaders and the real will of the people.

2. We repudiate a foreign policy based on the continued recognition of the power sphere of interests of the Soviet Union in central and eastern Europe. This area is also a sphere of legitimate interests of the United States and western Europe.

3. In its relations with the Soviet Union, the United States has the moral obligation to uphold its ideals and to enforce the realization of human rights and the self-determination of the nations of central and eastern Europe. These human and national rights will be secured only through free elections which must be preceded by a withdrawal of the armies of occupation of the Soviet Union.

Central and eastern Europe is an area the nations of which are, culturally and historically, an organic part of the democratic world.

A free and integral Czechoslovakia is one of the foundation stones of such an organization of a future Europe.

4. The U.S. relations with the Soviet Union, whether called "détente" or by any other name, should not mean only concessions on our part to the Soviet Union. The Soviet Union should not be allowed to commit oppression and aggression, and to enjoy, at the same time, all the advantages of cooperation with the West. The United States must not permit the Soviet Union to take advantage of so-called "peaceful coexistence" to destroy the free world, as planned by communist ideology.

5. Economic strength by itse'f is not sufficient for the conduct of a foreign policy which the United States ought to follow. That requires unconditionally also military strength. We are, therefore, above all supporters of increasing, as soon as possible, the military strength and preparedness of the United States.●

PERSONAL EXPLANATION

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Massachusetts (Mr. DRINAN) is recognized for 5 minutes.

● Mr. DRINAN. Mr. Speaker, during the session of Thursday, June 26, 1980, I was necessarily absent from the House for a brief period during consideration of the Bauman amendment to the State, Justice, Commerce, judiciary, and related agencies appropriations bill for fiscal year 1981, H.R. 7584. Had I been present for rollcall No. 377, on approval of a 5-percent across-the-board appropriations reduction for the State Department, I would have voted "no."●

EXPLANATION AS TO VOTE

(Mr. DANIELSON asked and was given permission to extend his remarks at this point in the RECORD.)

● Mr. DANIELSON. Mr. Speaker, I was unable to be present on the floor of the House of Representatives for a number of rollcall votes on Wednesday, June 18; Thursday, June 19; and Friday, June 20, 1980. Had I been present, I would have voted as follows:

On rollcall No. 340, when the House approved the Journal of Tuesday, June 17, 1980, I would have voted "yea."

On rollcall No. 344, when the House agreed to an amendment to H.R. 7542, making supplemental appropriations for the fiscal year ending September 30, 1980, and rescinding certain budget authority, that provides up to $100 million for the President to provide assistance in the resettlement of foreign nationals who do not qualify for assistance under any other provision of law, but prohibits the use of funds to provide assistance to Cubans paroled into the United States after April 1, 1980, who have been found by an immigration officer to have been convicted felons or to be prostitutes or have engaged in prostitution, I would have voted "yea."

On rollcall No. 345, when the House passed H.R. 7542, making supplemental appropriations for the fiscal year ending September 30, 1980, and rescinding certain budget authority, I would have voted "yea."

On rollcall No. 346, when the House agreed to the conference report on S. 2698, to provide authorizations for the Small Business Administration, I would have voted "yea."

On rollcall No. 347, when the House rejected an amendment to H.R. 6418, to amend subtitle IV of title 49, United States Code, to provide for more effective regulation of motor carriers of property, that sought to exempt from ICC regulation food or edible products or byproducts (except alcoholic beverages and drugs) intended for human consumption, I would have noted "nay."

On rollcall No. 348, when the House rejected an amendment to H.R. 6418 that sought to strike section 8 from the bill, I would have voted "nay."

On rollcall No. 349, when the House rejected an amendment to H.R. 6418 that sought to provide for a congressional veto of rules related to motor carriers of property promulgated by the ICC or the De-

partment of Transportation, I would have voted "nay."

On rollcall No. 350, when the House passed H.R. 6418, to amend subtitle IV of title 49, United States Code, to provide for more effective regulation of motor carriers of property, I would have voted "yea."

On rollcall No. 351, when the House approved the Journal of Thursday, June 19, 1980, I would have voted "yea."

On rollcall No. 352, when the House agreed to House Resolution 702, providing for the consideration of H.R. 6711, to extend the authorization of youth training and employment programs and improve such programs, to extend the authorization of the private sector initiative program, and to authorize intensive and remedial education programs for youths, I would have voted "yea."

On rollcall No. 353, when the House agreed to House Resolution 715, the rule waiving certain points of order against H.R. 7584, making appropriations for the Departments of States, Justice, and Commerce, the Judiciary, and related agencies for the fiscal year ending September 30, 1981, I would have voted "yea."

On rollcall No. 354, when the House agreed to resolve itself into the Committee of the Whole for the consideration of H.R. 7584, I would have voted "yea."

On rollcall No. 356, when the House rejected an amendment to H.R. 7584 that sought to provide that not more than $1,000 of State Department funds for operating buildings abroad may be used to operate or maintain an embassy in Israel which is not located in the city of Jerusalem, I would have voted "nay."

On rollcall No. 358, when the House rejected an amendment to H.R. 7584 that sought to provide that no more than 90 percent of funds appropriated for the State Department shall be expended, except for any sums appropriated for the payment to the American Institute in Taiwan, "nay." ●

EDDIE ALBERT POINTS TO CRITICAL PROBLEM

(Mr. SIMON asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

● Mr. SIMON. Mr. Speaker, this Nation is blessed with a great many citizens who are not full-time in the work of their Government, but who are concerned about public policy.

One of those I have had the chance to work with in recent years is well known to the American public as an actor. He is Eddie Albert. He is less well known as someone who has deep concerns about what we are doing for food for this Nation and for the world for the next century. It is in that connection that I got to know Eddie Albert.

About a year ago he sent me a speech that he had delivered at a tree planting ceremony. I read it at the time and was impressed, and I have just reread it and I am taking the liberty of inserting it in the RECORD today, hoping that some of my colleagues in the House and Senate and others who read the CONGRESSIONAL RECORD will take the time to read this thoughtful analysis. It makes as much sense today as it did a year ago.

One of the things he suggests is that we should be planting trees. It is a very simple way of preserving our topsoil, keeping our air clean, making sure we have moisture, and improving the appearance of our countryside.

I hope to have some more specific suggestions to my colleagues in the House and Senate along that line in the near future.

I know that the CONGRESSIONAL RECORD gets loaded with a variety of articles of greater or lesser merit. This particular item, authored by Eddie Albert about an area of concern in which he has spent a great deal of time, merits your attention:

FROM A SPEECH AT A TREE PLANTING CEREMONY, JUNE 6, 1979

You'll be surprised when I tell you what I'm talking about. It's dirt, or what some people refer to as dirt. I call it topsoil. It's that precious razor-thin skin of earth that covers our earth in most places. It averages around eight inches in depth, on which the life, the health and the happiness of every human being on earth depends. Even you and me. Every morsel of food we eat; bread, meat, cereals, oatmeal, Big Macs, Alpo, Twinkies, carrots, peas, beans, fish, Kentucky Fried, Hersheys, bubblegum, tacos, popcorn; all of our clothes, cotton, wool, silk, nylon, buttons, shoes, cowboy boots, galoshes, ballet slippers, Adidas, joggers; our houses, timber, bricks, wallpaper, furniture, bedding, rugs, curtains, ropes, strings; records, files, books, magazines, newspapers, Bibles, ballots for voting, blueprints for building, books of medicine, agriculture, laws, science; marriage licenses, birth and death certificates, passports, divorce papers, paper money, stocks and bonds; fuel for transportation, getting us to work, to school, to church, to the grocery, to visit, to vacation, to find each other; to keep us warm or cool, and to cook our food; coal, oil, gas, kerosene, charcoal, kindling, the very oxygen we breathe, they all come from plants, trees and—that eight inches of topsoil!

When we arrived on this continent a few years back, our topsoil averaged around 18 inches in depth. With our intensive agricultural practices we have eroded it down to around eight inches. Eight inches of topsoil are left between us, starvation, and world disaster. When that eight inches goes, you and I go.

There are innumerable examples of civilizations which have already travelled this route. For thousands of years, rich, powerful empires, their kings and governments have sold off the sources of their wealth and power, their oil, trees, land, metals, other precious resources, in order to extract for themselves, dollars, votes and security. They didn't know any better. We do! Or—we had better learn it—fast!

Trees were the first to go. It always started with the trees. As the local populations grew, wood was needed for warmth and cooking, wood for lime burning, timber for housing. Solomon cut the famous Cedars of Lebanon for his great temples. Alexander and the others cut trees to build their warships. They sold trees for money for their treasuries. Rome deforested southern Europe from Spain to Palestine. The whole north of Africa was ripped off to plant more wheat for the expanding Roman population. Replanting was unheard of. When the trees were gone, the topsoil exposed to the rain and wind and sun lost its organic matter, its humus, its soil life, the spongy quality that gives the soil its ability to hold water through droughts. The soil dried out, became dead dust, and the next wind blew it away, or the next rain washed it down the river, and the land died.

The plants and trees could not survive the climate changed as the rain cycle slowed down with the deforestation, and the remaining trees expired. The wild grass that came was soon demolished by goats, who ate roots and all, and the once glorious lands of trees, lakes, rivers, cities, palaces, universities, families, artists, millions upon millions of healthy, working, creating, achieving people quietly blew away. Splendid civilizations collapsed, and are now visible only as footnotes in the history books, or a few fragments of pots on a museum shelf.

The cycle was always the same. Man comes, the trees go, the topsoil goes, the civilization goes, the desert comes.

Herodotus records, "One could walk across the north of Africa from the Atlantic to the Indian Ocean, always in the shade of trees." Today, desert sands, no trees, and famine stretch from the Atlantic to the Indian Ocean.

As I said, Egypt, Tunisia, Ethiopia, Algeria were once rich nations, granaries of wheat, cities, fine trees. No more. The rich, unprotected soil of Ethiopia has gone down the river and is now silting up the Aswan Dam in Egypt. Egypt is 96% desert.

A few summers ago a quarter of a million people starved to death in Ethiopia. Four percent of the trees remain and the chainsaws are working on those, accelerating the dying of this once great country.

Plato lamented the loss of the topsoil of ancient Greece. "Our land, compared with what it was, is like the skeleton of a body wasted by disease, the soft parts are gone. All that remains is the bare carcass." Greece never recovered.

Homer, 3,500 years ago, said "There is an island called Crete. A fair, rich land, begirt with water, in the midst of the wine-dark sea. And in it are ninety cities, and many men, past counting." Not any more.

In Asia I looked down on an area that had once supported half a million people. Years ago it was covered with trees, houses, people, and today you see only coarse sand, gravel, and gullies. Thousands of gullies, caused by water erosion and deforestation, a wide, sickening expanse of gullies, stretching to the horizon, gashing and cutting the once rich farmland, their only harvest—dust and endless desert. Even the goats are gone. It was not a climate change that doomed these ancient civilizations, it was mismanagement of the land. I repeat, mismanagement of the land. We are following that path.

It takes centuries of the weathering of rocks to grow an inch of topsoil, and thousands, even millions of years to create a deep, fertile layer. On shallow sloping hillsides one great rainstorm can gash and gully a slope down to bare rock in an hour. When nature's protective cover of plants and trees is cut down, or the carpet of grass with interlocking roots is cut open by the plow the destroying power of rain or wind is multiplied a thousand times.

In our western lands there are now over 200 million gullies advancing through the countryside like the long arms of an octopus. As these gullies eat their way across the fields, farmers, already desperate for land, continue to till what's left, right up to the very edge of the gully, feeding its progress across the countryside.

Even good land between the gullies is often lost because you can't get the big machinery in over the gullies. Some of these gullies today are miles long. One of them is pointing right at the heart of Tucson. We Americans are destroying our land a thousand times faster than any people who ever lived. Man, deforestation, soil erosion, abandonment is the cycle. Another word follows inevitably after "erosion". The word is "famine".

In Central Africa one group of parents recently implored a U.S. official not to send drugs when an epidemic of diphtheria broke out. It was better, they explained, for their

children to die straight off than to suffer further from hunger, or to grow up with their minds stunted, and their spirit crippled by lingering malnutrition.

In India the trees have been stripped of leaves and twigs for food and charcoal. Newspapers carry nightmarish stories of entire families that have committed suicide to end the agony of slow death by starvation. The India press relates stories of distraught fathers drowning young children in the river to prevent the anguish of their starving.

Fifteen thousand children go blind each year from malnutrition.

Not long ago I remarked to my wife that a lot of people would be drowned in Bangladesh in five or six days. A week later she looked at me strangely and asked, "How did you know? The radio just announced that hundreds of people were drowned by floods in Bangladesh." I explained that a week before I had read that there were heavy monsoon rains in Nepal. Nepal is mountain country, and on the slopes the soil is very thin. When the trees which anchor that soil are cut down by the growing population, the unprotected soil can be washed down the hill in one storm. It takes about a week for the floods and silt to make the trip down the river to Bangladesh.

Millions of tons of eroded silt are carried down the rivers of the world and as the river slows down, the silt falls to the bottom, clogs up the center channel, the river floods over its banks, spreads out over the countryside, creating deep gullies, washing away farms, herds, villages, fathers, mothers and children.

A typical clipping: "One Thousand People Die in Monsoon Hit India." The Luni River overflowed its banks, 400,000 head of cattle gone, thousands of people and their houses gone, 100,000 acres of rice destroyed, etc."

Here's another clipping a little closer to home. "May 12, 1979, Grand Forks, N.D., Los Angeles Times. The flood of the century . . . Red River of the North . . . Thousands of acres of prime farmland destroyed . . . hundreds of homes in dozens of towns . . . Losses in No. Dakota, Canada, Minnesota, exceed 72 million . . . There is a small but growing number who suggest that this region may be contributing to its own destruction by developing and cultivating too much marginal land, and cutting too much forest."

Secretary Bergland of Agriculture states, "We are headed for disaster."

We have hundreds more of the Red River type of disaster standing by in our own country . . . the Atchafalaya River Basin, Louisiana, one of the most beautiful areas in America is drying up because of erosion and siltation. Like many other rivers the channel is clogged with eroded topsoil, the result of tree cutting and over-farming in the north. Unfortunately, the Basin is the key floodway for the Mississippi River. In case of heavy floods it must divert the dangerous floodwaters away from the populated centers of Baton Rouge, Lafayette and New Orleans to prevent the loss of life and property. With the silting up of the main channel, the river cannot be controlled. It seeks a way out by overflowing its banks, spreading over the countryside, digging gullies destroying thousands of acres, and spreading destruction.

Our population explosion is at the heart of our problem. We can't increase our food production as fast as our world population increases. Three new mouths to feed each second, 230,000 new mouths to feed each day. But with each passing day we have less land to work with. To meet this growing demand farmers are forced to put unbearable pressure on the soil, pressures our soil is unable to sustain.

Rotation of crops, wheat, soybeans, alfalfa, has been replaced by monoculture, (one-crop) corn, corn, corn, or wheat, wheat, wheat. Everyone knows this method will exhaust the organic matter, the life in the soil, and increase pest infestation, but people are hungry and the cash register is jingling. For every bushel of corn we harvest, we lost two bushels of topsoil. Topsoil is crucial to crop production, because it contains most of the organic matter, and the major share of nutrients required by the plants.

Terracing, and contour plowing, both water-holding and erosion-preventing practices are being dropped. The big new machines are too wide for terracing.

The use of large, heavy machines causes soil compaction. The pressure of the wheels hardens the soil so that air and water cannot penetrate and maintain the soil's organic health, which prevents erosion. In addition, this harder soil creates the need for larger, heavier tractors to pull the plows, resulting in more compaction, and more erosion. Compaction wastes water when the soil's hard surface permits the rainwater to rush off the hard surface into the soil by the vegetable cover. A 4-inch rain on organic, humus-rich topsoil causes little or no runoffs. One-half an inch of rain on humus-poor land can cause runoff, flooding and heavy erosion.

Allowing the soil to lie fallow for a season, to rest, to restore the erosion-slowing organic matter is disappearing. The need for food is increasing, the market is high, the bank loan is due, and the farmer finally has a chance to get even with the bank.

Because of the current high price for grain, there has been an appalling rush to put under cultivation millions of acres of the wrong land, marginal land we call it, and farm it in the worst, non-conservation way. By marginal we mean grassland, for example, meant only for grazing stock, or sloping land, or land with too little rainfall, requiring heavy irrigation. For example, ask any farmer how many crops he can get off steep land before he has to abandon it because of erosion, and he will reply, five or ten, perhaps twenty at the outside, and the topsoil is finished.

Three or four years ago we added around 9 million of such acres of marginal land, but less than half was put under good conservation practices. The following year we lost, through the resulting erosion, sixty million tons of rich, vital topsoil; gone forever—sixty million tons. Can you calculate how many starving children could live off that?

In the past thirty or forty years the heavy use of synthetic fertilizers, anhydrous ammonia, nitrates, pesticides and herbicides, DDT, etc. have doubled and tripled the yield of grain per acre, but at the expense of the organic matter in the soil.

After the Oklahoma Dust Bowl disaster in the thirties, a disaster that occurred because of cultivating "marginal" land, the government ordered trees to be planted, green belts that would slow down the eroding wind and protect the topsoil. Millions of trees were planted and for forty years the trees did their job of protection. However, when the high grain prices hit in 1973, the Secretary of Agriculture ordered the green belt trees cut down. "Plant fencerow to fencerow," he said, and down crashed the green belts.

"It was a short-sighted thing they did," said Professor Timmons of Iowa State, "but we got an exhortation from Washington to increase yields, so farmers went out and plowed up everything."

"Between '73 and '74, fifty-one million acres were taken out of the federally subsidized soil bank program and converted into cropland without soil preparation or good conservation practices. Soil losses from 50 to 200 tons per acre resulted." Now it's even ruined for grazing cattle. How many families will go hungry because of that loss? It will take twenty-five years to restore the green belts. In many areas all the topsoil will be blown away in that time.

When the marginal land lacks sufficient rainfall, the farmer must resort to irrigation. He often pumps up the ancient water from the underground pools. It took nature millions of years to fill these pools and we are emptying some of them in an eye-blink of time, faster than they can be recharged.

The Ogallala aquifer irrigates million of acres in Texas and neighboring states. Heavy pumping, I am told, has lowered the water table as much as 700 feet. Some of the wells around Lubbock have gone dry and land has been abandoned, left as potential desert. California has 6,000 new wells this year and the water table is dropping at the rate of 6 feet per month. In other words, the water pools are being mined, like coal. Eventually, they will be empty. It should be remembered that mining always ends in abandonment, and more desert.

Land between Phoenix and Tucson has dropped seven to twelve feet in some areas. In the Trans-Pecos area of Texas, water must be raised as much as 300 feet. Texans are consuming their children's water. Irrigation makes rich fathers but poor sons.

Los Angeles Times, November 3, 1979, "U.S. Water Crisis Seen in Five Years."

The cost is prohibitive. In Nebraska irrigation requires ten times the amount of fuel that is needed to till, plant, cultivate and harvest a crop. What will happen to this irrigated land when oil reaches $60 a barrel? It will be abandoned eventually as cropland and ruined as grazing land, because of salinization.

Irrigation often brings salinization (salt). In some irrigated areas a few feet below the surface, there is hard pan a layer of clay which prevents normal underground draining. Water, unable to trickle downward, soon builds up and waterlogs the soil, impairing root growth and settling in pools on the surface where it evaporates, leaving a layer of soil-destroying salt. The organic matter and humus die, the soil dies, the land is abandoned, useless, lost for centuries as a food producer of any kind. The whole middle-east has millions of acres of salt deserts covering what was once the land that gave birth to the human race, the Garden of Eden. The ruins of the once-great cities and palaces are still to be seen dotting the empty desert.

The U.S. Soil Conservation Service reports that the soil washed out and blown out of the fields of the U.S. each year would load a modern freight train long enough to reach around the world eighteen times. If it ran twenty miles an hour, continuously, it would take three years to pass your station. That amount is now being lost each year. How long? How long can you write your checks if you deposit nothing in the account?

Put it another way. Each day we are losing thirty one-hundred acre farms down the river, ten thousand farms a year, 15 tons of topsoil a second, a yearly loss of one ton for each person on earth.

Good flat farmland is also lost, being taken over for city development. We in the U.S. lose another two million acres yearly with the building of dams, oil refineries, strip mining, housing development, shopping centers, highways, parking lots, freeways, airfields, military uses, etc., etc., all good arable flatlands, necessary for food production, two million acres yearly.

Even recreational lands are suffering painfully. Armies of dune-buggies, ski-mobiles, motorcycles, by the tens of thousands, four-wheel drive vehicles, campers, motorhomes, and trailers, regularly descend on the desert areas, devastating the vegetation, compacting the soil, littering the streams, stirring up clouds of dust, setting fires, frightening and killing wildlife, killing the shrubs that hold the topsoil, and starting more soil erosion.

We are a wasting people. In 1970, I was in the midwest studying the corn blight. In a group of farmers I asked a man I hadn't met, "Are you a farmer?" He answered

proudly, "I'll say. I've used up three farms." He spoke with pride that his energy, his hard work, and his yields had exhausted the soil of three farms. His friends nodded respectfully at his strength. We still think there is always more land to the west.

The United Nations estimates that it will take forty years and twenty billion dollars just to reclaim land lost to desert in the past 25 years.

We in America have lost about one third of our arable land since we arrived here. At the rate we are going we will lose another third in the next dozen or so years, while the population almost doubles. Today each acre feeds barely one person. At the turn of the century, twenty years from now, with the loss of acreage, and our increased population, not one, but three people will be trying to eat off each acre that's left. Our children are going to be very hungry.

When we haven't got quite enough food to go around, this is what happens. Out in Minnesota, Gary Paulsen puts it this way, "There is no surplus left. What that really means is that if a farmer loses his wheat crop, or even if his yield is just down slightly, or if he has to plow under his corn, or disease wipes out his cattle, or coyotes take a chunk out of his sheep—if any of those things happens—somebody, somewhere in the world will die; not just get sick, or feel a little lean after dinner, or have to cut back on supper—but die! It is that critical, that vital, that all-important."

In the recent weeks I have been in Peru, Colombia, Hong Kong, Mexico City, Manila, Malaysia, Kenya, and in each city I've seen tens of thousands of acres of shacks made from flattened kerosene cans and cardboard, millions of families with little food, water, no jobs, no sewage disposal, no medical care and no hope. In twenty years Mexico City and Tokyo will each have thirty million people. How will they get water? Where will the food be grown. How will it be delivered through the crowded streets? These people will not be mere numbers, statistics. They will be suffering babies, screaming children, weakened gasping mothers and fathers with no hope for the end of pain, but death. And each day, 230,000 more hungry mouths.

By 1930, the great topsoils of America which had enriched and sustained our American people had been thrashed, poisoned, pounded, over-grazed, over-cut, irrigated, waterlogged, salted, over-farmed, and overpopulated. The land was now ready for the great dust storms.

Here is a quote from the Oklahoma Extension News, January, 1928: "Five years ago there was not a gully on the place . . . now it is badly cut by gullies . . . all the soil washed away, leaving nothing but clay . . . if not terraced the gullies will cut deeper until the rocks are touched, or until all the clay soil is gone . . ."

Nature finally rebelled. In May, 1934, she made her first move. At that time I had left the wheatfields of Minnesota to become an actor in New York. One day New York awoke to find the city in darkness. Car headlights were on at noon. The town was choking with dust, wondering what had happened. The New York Times "cleared the air"; partly.

"New York obscured, Washington and East coast overhung with thick clouds of dust." That "dust" turned out to be the hard-won, family farms of Oklahoma, blowing through the high air all the way to the East coast to drown somewhere out in the Atlantic Ocean.

On May 11, 1934, 350 million tons of Oklahoma's tired topsoil, hit by a duster, exploded in huge clouds up into the transcontinental jet stream. Ships 300 miles out at sea were covered with Oklahoma. Twelve million tons hit Chicago alone. In Washington, D.C. dust particles seeped in through the windows and settled on the Congressional desks. Senator Gore observed, "The most tragic, the most impressive lobbyists ever to come to this capitol."

The big wind of May 11, 1934 carried away an estimated 350 million tons of topsoil from Oklahoma, Kansas and neighboring states. This one duster in one day took the equivalent of 3,500 one-hundred acre farms out of food production. The real victims were, as usual, the farmers, their wives, their children. They had spent 30 years trying to build a good life for themselves on land which should never have been cropped. Now they watched their lives blow away with their soil's fertility. Thirty years, but thousands of lifetimes down the drain. They pulled themselves together, shook the dust of their dead soil out of their hair, spit the dust of their dead farms out of their teeth, piled their kids into their old jalopies, and headed for California to pick fruit. Thousands of Okies from the Dust Bowl. When the soil goes—we go.

History records that this was responsible for the Soil Conservation Service being taken seriously, and the planting of the green belts. Incidentally, the first survey of the SCS showed already over 100,000,000 acres of our best cropland had been ruined for cultivation.

My father used to say, "We learn from history that we learn nothing from history." We are devout in pursuing the same suicidal behavior of exploitation of the land, deforestation, refusal to study the needs of our precious topsoil, and indifference to the health, the survival of our grandchildren, and our future generations.

What can we do? Fortunately, the road ahead, if we wish to travel it, is well charted. It is difficult, but well charted.

We can slow down the birth rate. You're all familiar with that problem. No need to repeat. We can stop our habit of waste and over-consumption. We can stop our waste of food. The food we throw away daily could feed over 100 million hungry people. We in the U.S. are about 6 percent of the world's population but we use up 38 percent of the world's energy and food.

When we look at that photo of our little earth, taken from the moon, the earth looks small and beautiful. It is, but it also looks lonely. It is. The nearest neighbor is light years away. We are all by ourselves, and there is only so much land, only so much water, oxygen, space, and that's it. There isn't ever going to be any more, and there is no place next door where we can go to borrow. We must learn to love and respect this beautiful earth, and learn to protect and conserve what we have left.

There isn't a whole lot of time. The eminent historian, Toynbee, who has spent a lifetime studying the birth and death of civilizations, puts it this way. He says, "I am not sure whether it is my daughter, or my grand daughter who will witness the death of this civilization."

Now, what can we do? What can ordinary folks, students, families, individuals do, who want to help; how can we contribute to the solution of a world problem that has been building up for centuries? That's not an easy question to answer. It's a job for nations working together. But let me make a small suggestion.

What about trees? Almost any of us can plant a tree. Your class and your school could plant hundreds of them, maybe thousands. What about your churches, your clubs, your scout troops? If we could start the ball rolling and publicize it well, we might start a real movement, vitally necessary, of tree planting. What about families planting a tree on anniversaries? Could we recycle our old tree-planting holiday?

What about fruit trees and nut trees to provide food for us, and pod trees, like the honey-locust, food for both man and beast; avocado, palm or coconut, to grow on poor agricultural land or sloping land, to hold the hillsides?

Let me tell you a little about a tree. First, the roots put a halt to that terrible problem of wind and rain erosion. And, did you know that three-fourths of the rain comes from the moisture exhaled by trees? By planting trees we could bring back rain in dry desert areas, turning them once again into fertile agricultural soil. Israel turned one of the worst deserts in the world into a land of milk and honey. Using water from the Sea of Galilee, they now grow roses for the Amsterdam market, and oranges, apricots and avocados and winter vegetables for Europe. Their greenhouses are plastic domes that use 1/20 of the water and 1/10 of the area. They also use plastic as a covering, a mulch, to protect the soil. With powerful hoses they spray the desert sand with a light film of oil which forms a thin crust that holds the soil and in which they plant their trees. Where there was once a desert, six years later they have a forest of tamarisk trees. Where their water is too salty, they breed salt-tolerant crops.

And if you are into solar energy, the tree is, far and away, the most efficient solar engine ever devised, and the leaf is the most efficient photovoltaic cell, and the finest storage battery.

Cattle have a hard time in the deserts, camels love it. So they are trying to breed a good-tasting camel. They have already crossed a goat with a desert-loving Ibex. They call it a goabex. Deserts can be reclaimed. It can be done.

There are moments in the history of the world when a new time begins. Usually it's at a time of desperate crises. We are at such a moment of great change in our history, and we must be aware of it. We have a choice. We can stand off and let history repeat itself and watch the death of our hard-earned country; or we can pull ourselves together, go into action and solve the problems of food and soil. We have the know-how, the technology. We need discipline and courage, both good American words, but we also need a new awareness and greater vision.

There is a specific moment which we can look to as the beginning of this new Age of Awareness. Do you remember the first time you saw the photograph of the earth from space? That was the moment, the Apollo shot. We can never be the same. That photograph showed us that this earth is our home, that we are indeed one family, that we are in this together and we have a fight on our hands. We know that there is enough for everyone's needs, but not for everyone's greed. We must use our knowledge now for the survival of the human family.

Our task is—to rebuild the earth.●

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

(The following Members (at the request of Mr. AuCoin) to revise and extend their remarks and include extraneous material:)

Mr. Alexander, for 10 minutes, today.

Mr. Roberts, for 5 minutes, today.

Mr. Gonzalez, for 15 minutes, today.

Mr. Annunzio, for 5 minutes, today.

Mr. Drinan, for 5 minutes, today.

Mr. Stratton, for 60 minutes, on July 23.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

Mr. SIMON, and to include extraneous material notwithstanding the fact that it exceeds two pages of the RECORD and is estimated by the Public Printer to cost $1,179.

Mr. FLORIO, to insert a letter directed to him from the chairman of the Interstate and Foreign Commerce Committee.

(The following Members (at the request of Mr. LEE) and to include extraneous matter:)

Mr. GRADISON.
Mr. KEMP in two instances.
Mr. ROTH.
Mr. KINDNESS.
Mr. GILMAN.
Mr. FRENZEL.
Mr. COUGHLIN.
Mr. FINDLEY.
Mr. COLLINS of Texas in two instances.

(The following Members (at the request of Mr. AUCOIN) and to include extraneous matter:)

Mr. VENTO.
Mr. CORRADA in 10 instances.
Mr. ANDERSON of California in 10 instances.
Mr. GONZALEZ in 10 instances.
Mr. ROSENTHAL in 10 instances.
Mr. BROWN of California in 10 instances.
Mr. ANNUNZIO in six instances.
Ms. HOLTZMAN in 10 instances.
Mr. JONES of Tennessee in 10 instances.
Mr. BONER of Tennessee in five instances.
Mr. ASPIN.
Ms. SCHROEDER.
Mr. NELSON.
Mr. ERTEL.
Mr. STARK.
Mr. FASCELL.
Mr. SKELTON.
Mr. APPLEGATE.
Mr. AUCOIN in two instances.
Mr. HALL of Texas.
Mr. SWIFT.
Mr. YATRON.
Mr. HEFTEL.
Mr. DINGELL.

SENATE CONCURRENT RESOLUTION REFERRED

A concurrent resolution of the Senate of the following titles was taken from the Speaker's table and, under the rule, referred as follows:

S. Con. Res. 80. Concurrent resolution to proclaim February as "National Snowmobiling Month"; to the Committee on Post Office and Civil Service.

SENATE ENROLLED BILLS AND JOINT RESOLUTIONS SIGNED

The SPEAKER announced his signature to enrolled bills and joint resolutions of the Senate of the following titles:

S. 598. An act to clarify the circumstances under which territorial provisions in licenses to manufacture, distribute, and sell trademarked soft drink products are lawful under the antitrust laws;

S. 2546. An act to authorize the Secretary of the Interior to design and construct a gunite lining on certain reaches of the Bessemer Ditch in the vicinity of Pueblo, Colo., to prevent or reduce seepage damage on adjacent properties, and for other purposes;

S.J. Res. 115. Joint resolution designating July 1980 as "National Porcelain Art Month"; and

S.J. Res. 188. Joint resolution extending the reporting date of the National Commission on Air Quality.

ENROLLED BILLS SIGNED

Mr. NEDZI, from the Committee on House Administration, reported that that committee had examined and found truly enrolled a bill of the House of the following title, which was thereupon signed by the Speaker:

H.R. 7685. An act to amend title IV of the Employee Retirement Income Security Act of 1974 to postpone for one month the date on which the corporation must pay benefits under terminated multiemployer plans.

ADJOURNMENT

Mr. AUCOIN. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 3 o'clock and 45 minutes p.m.), the House adjourned until tomorrow, Tuesday, July 1, 1980, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

4722. A letter from the Deputy Director, Office of Management and Budget, Executive Office of the President, transmitting a report that the appropriations to the Department of Justice, Immigration and Naturalization Service and the U.S. attorneys and marshals for fiscal year 1980 have been reapportioned on a basis which indicates a need for further supplemental appropriations, pursuant to section 3679(e)(2) of the Revised Statutes, as amended; to the Committee on Appropriations.

4723. A letter from the President and Chairman, Export-Import Bank of the United States, transmitting a report on loan, guarantee, and insurance transactions supported by Eximbank during May 1980 to Communist countries; to the Committee on Banking, Finance and Urban Affairs.

4724. A letter from the Acting Comptroller General of the United States, transmitting a report on the impact of eliminating the States from the general revenue sharing program (GGD-80-63, June 27, 1980); to the Committee on Government Operations.

4725. A letter from the Administrator, Energy Information Administration, Department of Energy, transmitting a quarterly report for the period January through March 1980 on imports of crude oil, residual fuel oil, refined petroleum products, natural gas, and coal; reserves and production of crude oil, natural gas, and coal; refinery activities; and inventories; together with data on exploratory activity, exports, nuclear energy, and electric power, pursuant to section 11(c)(2) of the Energy Supply and Environmental Coordination Act of 1974; to the Committee on Interstate and Foreign Commerce.

4726. A letter from the Secretary of Commerce, transmitting a draft of proposed legislation to amend the Fishery Conservation and Management Act of 1976 to provide for representation of the Northern Mariana Islands, and for other purposes; to the Committee on Merchant Marine and Fisheries.

4727. A letter from the Secretary of the Interior, transmitting a report on financial disclosures for calendar year 1979 by employees performing functions under the Energy Policy and Conservation Act, the Mining in the Parks Act, the Federal Land Policy and Management Act of 1976, and the Outer Continental Shelf Lands Act Amendments of 1978, pursuant to sections 522(b)(2), 13(b)(2), 313(b)(2), and 605(b)(2) of the respective acts; to the Committee on Post Office and Civil Service.

4728. A letter from the Acting Comptroller General of the United States, transmitting an evaluation of Defense Department and Vendor comments on the GAO report on the worldwide military command and control system (LCD-80-22A, June 30, 1980); jointly, to the Committees on Government Operations, and Armed Services.

4729. A letter from the Acting Comptroller General of the United States, transmitting a report on Federal assistant to rehabilitate railroads (CED-80-90, June 27, 1980); jointly, to the Committees on Government Operations and Interstate and Foreign Commerce.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. FOLEY: Committee on Agriculture. H.R. 5341. A bill to provide for the wilderness designation of certain lands within the Ocala National Forest, the Osceola National Forest, and the Apalachicola National Forest, and for other purposes; with amendments (Rept. No. 96-1088, pt. 2). Referred to the Committee of the Whole House on the State of the Union.

Mr. PERKINS: Committee on Education and Labor. H.R. 7664. A bill to amend the National School Lunch Act and the Child Nutrition Act of 1966 to extend the authorizations of appropriations contained in such acts, and for other purposes (Rept. No. 96-1143). Referred to the Committee of the Whole House on the State of the Union.

PUBLIC BILLS AND RESOLUTIONS

Under clause 5 of rule X and clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. HEFNER (by request):

H.R. 7696. A bill to amend the Post-Vietnam Era Veterans' Educational Assistance Act of 1977 to improve participation; to the Committee on Veterans' Affairs.

By Mr. KINDNESS:

H.R. 7697. A bill to amend the State and Local Fiscal Assistance Act of 1972 and the Internal Revenue Code of 1954 to replace the general revenue sharing program with individual income tax credits for State and local taxes; jointly, to the Committees on Government Operations and Ways and Means.

By Mr. FASCELL:

H. Con. Res. 377. Concurrent resolution stating that the Committee on Post Office and Civil Service of the House of Representatives and the Committee on Governmental Affairs of the Senate should make every ef-

fort to develop legislative proposals which maintain the cost-of-living adjustment for Federal retirees; to the Committee on Post Office and Civil Service.

By Mr. HEFTEL (for himself, Mr. BLANCHARD, Mr. BRODHEAD, and Mr. TRAXLER):

H.J. Res. 580. Joint resolution directing the President to enter into a marketing agreement to restrain imports of Japanese automobiles and trucks; to the Committee on Ways and Means.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolution were introduced and severally referred as follows:

Mr. SANTINI presented a bill (H.R. 7698) for the relief of two mining claimants, which was referred to the Committee on Interior and Insular Affairs.

ADDITIONAL SPONSORS

Under clause 4 of rule XXII, sponsors were added to public bills and resolutions as follows:

H.R. 154: Mr. SEBELIUS.

H.R. 1180: Mr. DICKINSON, Mr. HINSON, Mr. GOLDWATER, Mr. DOUGHERTY, Mr. LENT, Mr. TAYLOR, Mr. HANSEN, and Mr. BURGENER.

H.R. 5060: Mr. HUTTO and Mr. DOWNEY.

H.R. 7287: Mr. MARKS.

H.R. 7307: Mr. HANSEN.

H.R. 7482: Mrs. SMITH of Nebraska.

H.R. 7625: Mr. BOWEN, Mr. MONTGOMERY, Mr. JENKINS, Mr. LOTT, Mr. MATHIS, Mr. GINN, Mr. LEVITAS, Mr. GRAMM, Mr. EVANS of Georgia, Mr. FASCELL, Mr. GIBBONS, Mr. PEPPER, Mr. BUTLER, Mr. CHAPPELL, Mr. HINSON, Mr. TAUZIN, Mr. GONZALEZ, Mr. HUTTO, Mr. LEACH of Louisiana, and Mr. IRELAND.

H. Res. 689: Mr. BAILEY, Mr. BEARD of Rhode Island, Mr. BOWEN, Mr. BRODHEAD, Mr. BUCHANAN, Mr. BURGENER, Mr. JOHN L. BURTON, Mr. CARR, Mrs. CHISHOLM, Mr. COELHO, Mr. COLEMAN, Mr. CONYERS, Mr. DODD, Mr. DOUGHERTY, Mr. ERDAHL, Mr. ERTEL, Mr. FAUNTROY, Mr. FORD of Michigan, Mr. FRENZEL, Mr. GOODLING, Mr. GRAY, Mr. HANCE, Mr. HAWKINS, Mr. HINSON, Mr. HOLLENBECK, Mr. HYDE, Mr. JENKINS, Mr. JOHNSON of California, Mr. KOGOVSEK, Mr. LEACH of Iowa, Mr. LEWIS, Mr. LONG of Maryland, Mr. LOTT, Mr. LOWRY, Mr. MAGUIRE, Mr. MARKEY, Mr. MARRIOTT, Ms. MIKULSKI, Mr. MINETA, Mr. MINISH, Mr. MOAKLEY, Mr. MOLLOHAN, Mr. MURPHY of Pennsylvania, Mr. PATTEN, Mr. PEPPER, Mr. PERKINS, Mr. PRICE, Mr. PURSELL, Mr. QUAYLE, Mr. RICHMOND, Mr. RODINO, Mr. ROYER, Mr. SABO, Mr. SANTINI, Mrs. SPELLMAN, Mr. SNYDER, Mr. STUMP, Mr. WEAVER, Mr. WEISS, Mr. WHITEHURST, Mr. WILLIAMS of Montana, Mr. WIRTH, Mr. YOUNG of Alaska, and Mr. YOUNG of Missouri.

H. Res. 709: Mr. CONTE.

AMENDMENTS

Under clause 6 of rule XXIII, proposed amendments were submitted as follows:

H.R. 7235

By Mr. LONG of Louisiana:

—On page 118, line 22, strike the words "is not necessary to carry out" and insert in lieu thereof the following: "is contrary to or otherwise conflicts with".

—On page 119, line 1, strike the words "is not needed to protect" and insert in lieu thereof the following: "makes no contribution to the protection of".

—On page 122, line 21, strike the word "Commission." and insert in lieu thereof the following: "Commission, and so long as the business solicitation or entertainment expense incurred bears a reasonable relation to the value of the business sought to be obtained by means of such expenditure.".

H.R. 7584

By Mr. HARRIS:

—Page 43, after line 5, insert the following:

SEC. 605. No more than an amount equal to 20 percent of the total funds appropriated under this Act for any agency for any fiscal year and apportioned to such agency pursuant to section 3679 of the Revised Statutes of the United States (31 U.S.C. 665) may be obligated during the last two months of such fiscal year.

H.R. 7591

By Mr. HARRIS:

—Page 51, after line 26 add the following:

SEC. 612. No more than an amount equal to 20 percent of the total funds appropriated under this Act for any agency for any fiscal year and apportioned to such agency pursuant to section 3679 of the Revised Statutes of the United States (31 U.S.C. 665) may be obligated during the last two months of such fiscal year.

H.R. 7631

By Mr. HARRIS:

—Page 45, after line 23, insert the following:

SEC. 411. No more than an amount equal to 20 percent of the total funds appropriated under this Act for any agency for any fiscal year and apportioned to such agency pursuant to section 3679 of the Revised Statutes of the United States (31 U.S.C. 665) may be obligated during the last two months of such fiscal year.